New Railroad For Quebec... p. 16

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RAILWAY AGE *weekly*

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...p. 20

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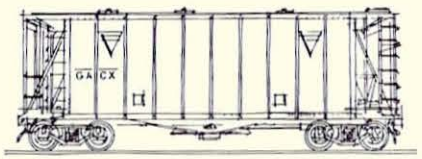

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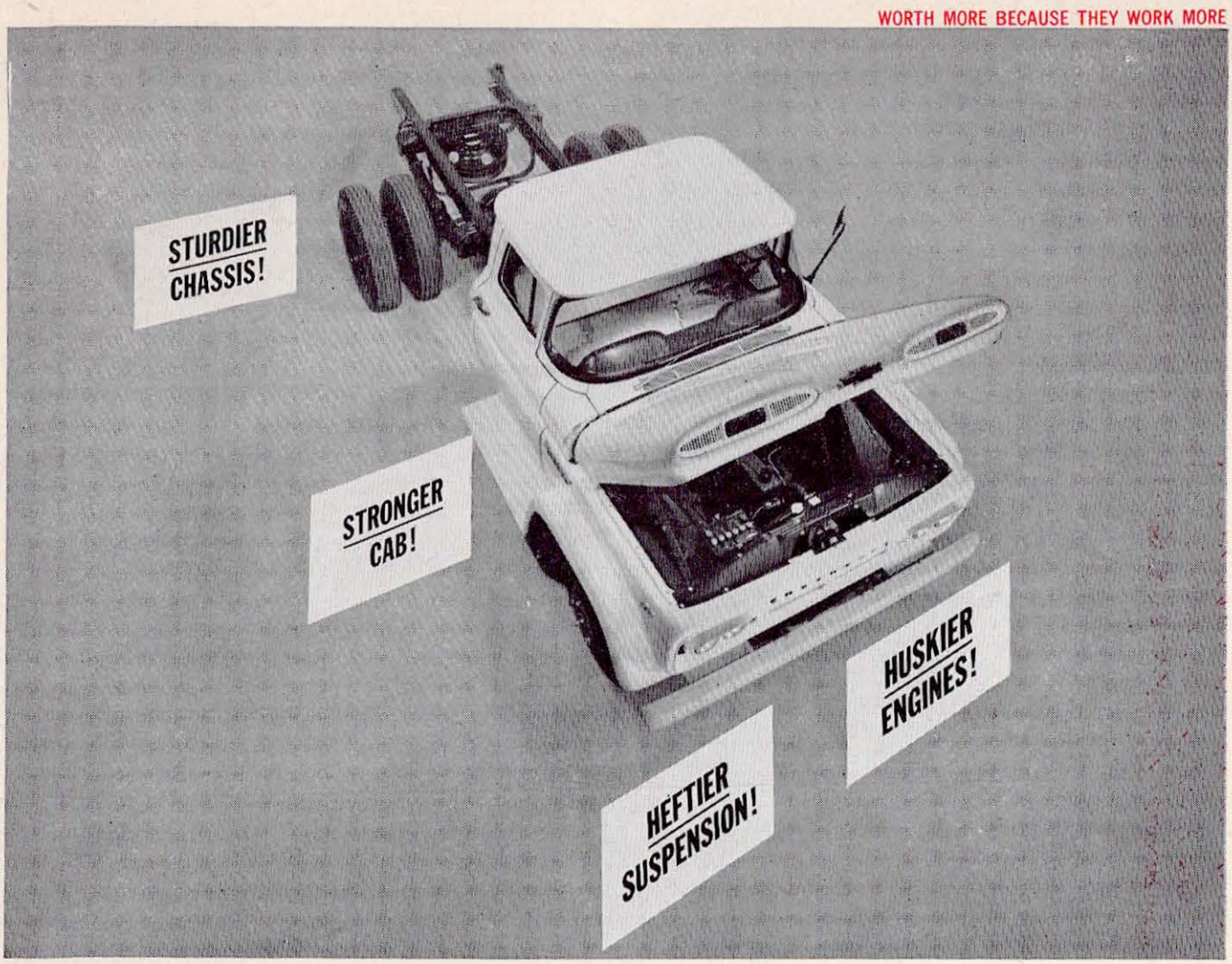

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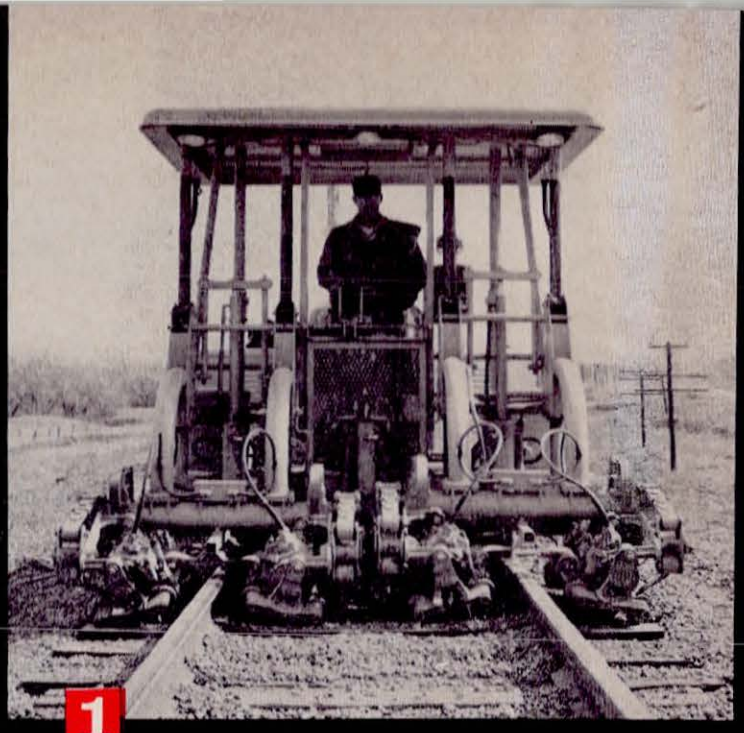

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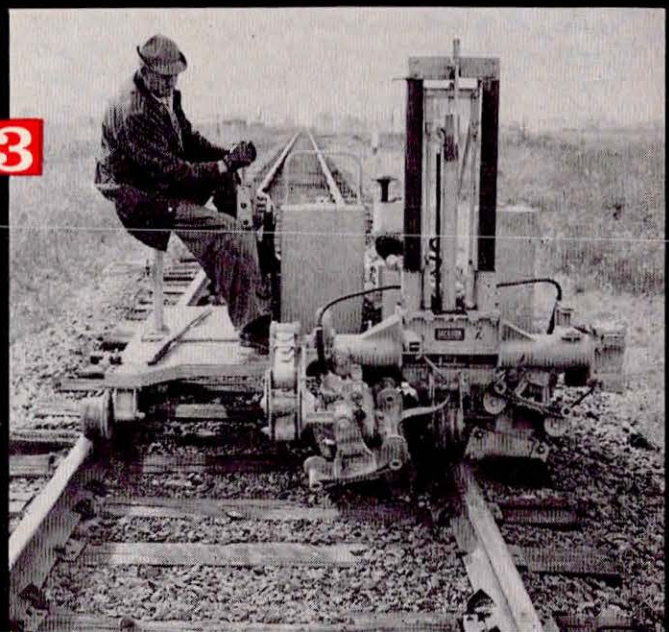

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LUDINGTON MICHIGAN

RAILWAY AGE *weekly* July 4, 1960 • Vol. 149, No. 1

Week at a Glance

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Railway Age, established in 1856, is indexed by the Business Periodicals Index, the Engineering Index Service and the Public Affairs Information Service. Name registered in U.S. Patent Office and Trade Mark Office in Canada.

Published weekly by the Simmons-Boardman Publishing Corporation at 440 Boston Post Road, Orange, Conn. Second-class postage paid at the Post Office at Orange, Conn James G. Lyne, chairman of the board; Arthur J. McGinnis, president and treasurer; Duane C. Salisbury, executive vice-president; George Dusenbury, vice-president and editorial and promotion director; Robert G. Lewis, Joe W. Kizzia, M. H. Dick, M. J. Figa, R. C. Van Ness, vice-presidents.

Central raises, C&O stands ..... p. 9

NYC offers a stock-and-cash package worth $42.50 for each share of B&O common in an offer to acquire stock control of the latter road; C&O, whose original offer is valued at $35.00, will meet this week to consider possible action to counter Central's move.

AAR hits $140-million overtax ..... p. 10

A special Senate study group hears a charge that inequitable tax assessments are costing the railroads over $140,000,000 a year in 31 states.

Cover Story—New Quebec RR uses welded rail p.16

The line, a 37-mile offshoot of the Quebec North Shore & Labrador, is scheduled for completion this year. It's being built with 132-lb rail welded into 1,000-ft lengths.

Cover Story—Philadelphia upgrades its transit fleet p.20

The city's Market-Frankford line is being re-equipped with 270 Budd-built stainless-steel cars costing $25,000,000. Savings of $6,500,000 in operation and maintenance are anticipated during the 35-year life of the cars.

Yards—Revamp them, or build new ones? p.24

Majority opinion seems to favor the building of new ones. Here's a review of some problems that must be solved before a decision can be made.

A professor visits railroad management p.26

Teachers from two business schools spent several weeks on the Illinois Central last summer under a college-business exchange plan. This report—by Dr. Walter Kramer of Notre Dame—tells why he accepted the exchange, what he found, and the conclusions he drew.

Management criticized in NH inquiry p.32

"Extravagant expenditures" have been charged to management at ICC hearings, originally on two New Haven fare increases, later broadened into a general probe of the road.

The Action Page—Terminal costs are rising too fast p.38

The railroad industry just can't live with a trend like that;

If we're tardy with our hot bearing detector . . .

Here's why! We wanted to take a closer look at all phases of the Hot Bearing problem; study it from angles that have been overlooked or disregarded, then build a system to meet these 10 essential criteria:

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3. *It must* keep false indications to a minimum.

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6. *It must* be able to measure temperature at the *best possible point* so that similar readings are obtained for both roller and friction bearings.

7. *It must* be easy to check, maintain and adjust at any time with ordinary test instruments.

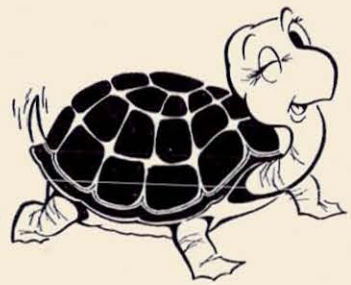
8. *It must* be able to detect traffic moving in both directions without requiring additional detection equipment.

9. *It must* provide accuracy unaffected by supply voltage fluctuations and it must operate from commercial power sources.

10. *It must* be built to rugged railroad standards.

The new UNION Hot Bearing Detector system is the only system that meets every one of these requirements.

If you'd like further information on the new UNION Hot Bearing Detector, your Union Switch & Signal representative is prepared to discuss details at your convenience.



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Week at a Glance CONT.

Current Statistics

Operating revenues	
4 mos., 1960 ...	$3,234,559,129
4 mos., 1959 ...	3,246,255,701
Operating expenses	
4 mos., 1960 ...	2,547,246,510
4 mos., 1959 ...	2,561,979,109
Taxes	
4 mos., 1960 ...	360,571,999
4 mos., 1959 ...	342,591,970
Net railway operating income	
4 mos., 1960 ...	211,989,020
4 mos., 1959 ...	236,919,680
Net income estimated	
4 mos., 1960 ...	147,000,000
4 mos., 1959 ...	162,000,000
Average price railroad stocks	
June 28, 1960 ..	113.62
June 30, 1959 ..	95.38
Carloadings, revenue freight	
24 wks., 1960 ..	14,498,707
24 wks., 1959 ..	14,996,489
Freight cars on order	
June 1, 1960 ..	36,106
June 1, 1959 ..	36,869
Freight cars delivered	
5 mos., 1960 ...	25,360
5 mos., 1959 ...	14,322

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Railroad employees' subscription rate: in U.S. possessions, Canada and Mexico, $4 one year, $6 two years, payable in advance and postage paid. To railroad employees elsewhere in the western hemisphere, $10 a year. In other countries, $15 a year. Single copies 60¢ except special issues. Address all subscriptions, changes of address, and correspondence concerning them to: Subscription Dept., Railway Age, Emmett St., Bristol, Conn.

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Circulation Dept.: R. C. Van Ness, Director of Circulation, 30 Church St., New York 7, N. Y.

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the importance of getting such costs under control suggests use of all methods holding any promise of success.

Short and Significant

More-or-less uniform rules proposals . . .

are expected to be made by the BLE, BLF&E, BRT and ORC&B jointly as counter-demands to the carriers' program for work rules revision when preliminary talks get underway July 6 in Chicago. The fifth operating organization, SUNA, isn't moving into the rules fight until its wage case is settled (emergency board recommendations are due by July 15).

Conference committees resumed negotiations . . .

in the non-op pay dispute last week. While the carriers accepted the emergency board's recommendations as a bargaining basis the 11 non-op chiefs have renewed their original demands which are much stronger than the fact-finding board's award.

Piggybacking questions . . .

answered in the so-called New Haven case won't be reconsidered by the ICC. The Commission has denied American Trucking Associations' petition for reopening of the case which was No. 31375, Movement of Highway Trailers by Rail. The Commission decided the case in 1954. It upheld railroad positions on several important issues raised by piggybacking operations. (RA Aug. 16, 1954, p. 7).

Reorganization of the bankrupt H&M . . .

has been approved by Federal Judge Archie O. Dawson. In signing the order, the judge commented that he hoped the 52-year old rapid transit line between New Jersey and Manhattan would be "out of the woods" within a year. Reorganization will involve dividing H&M into two divisions: one for railroading and one for operating H&M real estate.

Press, radio and television corps . . .

at the Democratic National Convention will be invited to make their headquarters in a Hospitality Lounge jointly sponsored by the Southern Pacific, Union Pacific and the Santa Fe. An estimated 4,700 representatives of the various media are expected to cover the convention, to be held in the Los Angeles Sports Arena, July 11 to 15. The lounge, a railroad tradition at national conventions of both parties, will include large-screen TV to help keep guests abreast of convention developments on the floor.

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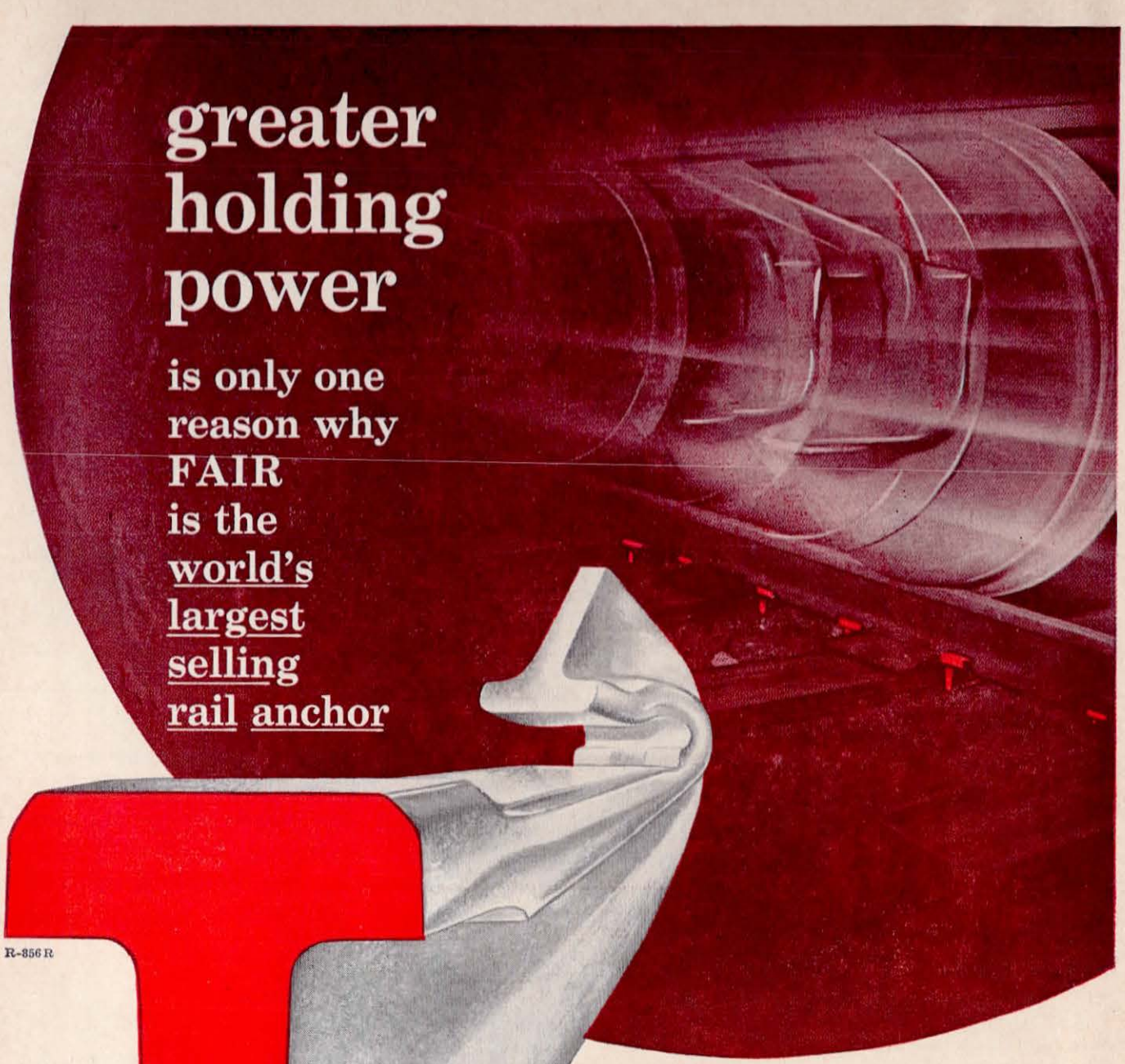

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Central Raises, C&O Stands

► **The Story at a Glance: NYC made official last week a move that had been anticipated since its June 14 announcement that it would consider acquiring stock control of the Baltimore & Ohio (RA, June 20, p. 9). Central's board on June 28 announced that NYC would offer B&O shareholders one and a half shares of NYC common stock plus $9.00 in cash for each share of B&O common, up to 1,550,000 shares.**

At stock prices on the day of the announcement, Central's offer added up to $42.50 compared to a $35 value on the C&O offer for the same stock (RA, May 23, p. 9). Meanwhile, C&O, stating that it was going ahead with its attempt to affiliate with B&O, announced a special board meeting for this week to consider what, if any, changes in the C&O position were made necessary by the NYC action. And the B&O said that a formal offer from the Central, when received, would be considered by B&O directors.

Eastern railroads, playing for big stakes, kept their merger pot bubbling last week. New York Central, which says it would like to be included in plans that would change the competitive structure in the East, but, so far at least, has not been publicly invited, has taken matters in its own hands with a competitive offer for the B&O.

In a series of statements this spring, President Alfred E. Perlman of the New York Central has asserted his conviction that his road should be the basis of one of any major eastern systems that might grow out of present merger talks.

In May, at the NYC annual meeting, he told reporters, "We are continuing our studies with the Chesapeake & Ohio and the Baltimore & Ohio with the idea of joining them in a mutually satisfactory arrangement, which will assure our continued participation in the competitive structure of the eastern railroads" (RA, May 30, p. 10). This followed by a week the announcement that C&O and B&O directors had approved a stock exchange proposal originated by C&O.

Later, as the Norfolk & Western and Nickel Plate added a new element to the merger picture by announcing that they had agreed on merger terms and the C&O formally asked ICC for permission to buy B&O stock, NYC filed with the ICC a petition asking the Commission to institute a general investigation with the goal of setting up ground rules for railroad mergers in the East (RA, June 20, p. 9). Until this had been completed, Central asked that the ICC suspend merger applications for eastern roads.

This proposal was turned down by the Commission's Division 4 last week. Stating that the Central would be adequately protected by the opportunity to intervene in merger applications, Division 4 said, "institution of a general investigation as sought is not warranted in the public interest."

Moving on another front, the Central took positive action seeking to insure its place in future eastern mergers.

In announcing that NYC directors had voted to try to acquire 1,550,000 shares of B&O common stock (60% of the common stock outstanding), Mr. Perlman emphasized again his conviction that a union of his road with the B&O and C&O would be highly desirable from all points of view.

"We are firmly convinced," Mr. Perlman said, "that the tremendous savings and great opportunities for improved service that would be possible through a unification of the New York Central, the Baltimore & Ohio and the Chesapeake & Ohio Railway would bring great benefits both to the general public and to the shareholders of each of the three railroads. In fact, we have postponed making any offer for several weeks while officials of the C&O and Central, working together, attempted to devise some mutually agreeable formula for joint acquisition of the stock of the B&O.

"Although these efforts have thus far not been successful, the Central will continue to be receptive to any appropriate agreement to accomplish this greatly desired result. We believe the action of the Central's board today to be entirely consistent with this position."

Mr. Perlman added that he had informed B&O President Howard M. Simpson of the action of the Central board. The Central expects the offer to be presented to the B&O directors, Mr. Perlman said.

In Cleveland, President Walter J. Tuohy of the C&O did not comment directly on Mr. Perlman's announcement except to say that his road is going ahead "in seeking fulfillment of the plan to affiliate with the B&O." The C&O also announced that a special meeting of its board of directors had been called for this week to consider

(Continued on next page)

Stockholders OK C&NW-M&StL Merger

Stockholder approval of the Chicago & North Western—Minneapolis & St. Louis consolidation required less than an hour last week—28 minutes at a special M&StL meeting and approximately 31 minutes at a special C&NW session. In each case, approval was overwhelming.

Next step: Approval by the merger-laden ICC, which already has before it consolidation plans involving Erie and Lackawanna; Soo Line, DSS&A and Wisconsin Central; Chesapeake & Ohio and Baltimore & Ohio.

C&NW-M&StL have a Dec. 31 target date for consummation of their merger plans.

Under the proposal which the Commission must now consider, C&NW will purchase the property, equipment and other assets of M&StL for $20,929,920—$3,488,320 in cash at the time of closing of the sale, plus assumption of liability for $17,441,600 in 6% first mortgage bonds to be newly created by M&StL on its properties.

The total sale price is equivalent to $30 a share of M&StL's outstanding common stock. If the transaction is consummated in 1960, M&StL will also become entitled to cash tax benefits estimated at more than $3,000,000.

AAR Hits $140-Million Overtax

► **The Story at a Glance: Thirty-one states are overtaxing railroads at the rate of more than $140,000,000 a year, the AAR charged last week.**

The Association told a special Senate study group that excessive property tax payments are a "studied and deliberate practice."

Idaho, Illinois, Maryland, Michigan, New Jersey and Tennessee were singled out as examples of states assessing railroad property at 100% while the tax rate for other properties ranges from 11.4% of assessed value in Idaho to 50.7% in Maryland.

Six months ago, the director of the Senate's Transport Study Group invited the railroad industry to come forward, if it could, with information showing that railroads, as a class, are the victims of discrimination in the matter of state and local taxes.

Last week, the railroads submitted impressive evidence that this is so.

"Utterly indefensible, intolerable . . . and abhorrent to one's sense of justice and fair play" is the way the Association of American Railroads characterized the annual $140,000,000 penalty against the railroad industry brought about by discriminatory tax assessment policies. The Association presented its analysis to the Senate group investigating transportation inequities under Senate Resolution 244.

Six states were singled out for extended discussion on their discriminatory practices:

• **Illinois** was termed the state with the greatest margin of over-assessment. In 1957, the latest year for which complete records are available, the railroads were overcharged $18,928,688 in taxes as compared with other industrial property. Illinois assessed railroad property at full value, the AAR pointed out, whereas non-railroad property was assessed at 45.7% of value.

• **New Jersey** was listed next in total over-assessment of railroad property. In 1957, railroads there were overcharged $13,412,165. New Jersey assessed non-railroad property at 27.7% as against the 100% valuation for railroads. "One railroad," the analysis stated, "—the Central Railroad Company of New Jersey—was forced into federal bankruptcy because the added burden of New Jersey taxes was more than it could bear."

• **In Arkansas,** "assessment of railroad property . . . was at 20% of value, whereas the assessment of other property was at only 10% of value."

• **In California,** railroad property was assessed at 50% of value while assessments of other property, including that of competing truck lines, averaged not more than 23.7% of value.

• **In Kansas,** "graduated equalization" is altering the picture, but to date only approximately 10% of protested and proved discrimination has been removed. In 1957, railroads paid over $8,000,000 too much in ad valorem taxes, according to the AAR.

• **Nebraska** has a "brighter side." Three railroads won a case in the State Supreme Court and their assessments have been pegged at the same level as that of other property.

As a remedy for the situation, the law committee of the AAR drafted and approved a bill that would forbid "(a) the assessment, for purposes of a property tax levied by any taxing district, of property owned or used by any common carrier by railroad subject to Part I of the Interstate Commerce Act at a value which bears a higher ratio to the true market value of such property than the assessed value of all other property in the taxing district subject to the same property tax levy bears to the true market value of all such property, (b) the collection of any tax on the portion of said assessment so declared to be unlawful."

31 States Where The Tax Bite Hurts Most

State	Amount of Overcharge*	State	Amount of Overcharge*
Alabama	$ 1,686,668	Montana	$ 5,519,902
Arizona	$ 5,400,605	Nevada	$ 982,485
Arkansas	$ 1,542,064	New Jersey	$ 13,412,165
California	$12,305,839	New Mexico	$ 1,493,545
Colorado	$ 2,836,534	North Carolina	$ 662,800
Idaho	$ 3,937,551	North Dakota	$ 3,509,633
Illinois	$18,928,688	Ohio	$ 5,836,526
Indiana	$ 7,631,627	Oklahoma	$ 4,387,588
Iowa	$ 4,196,886	South Dakota	$ 371,120
Kansas	$ 8,319,007	Tennessee	$ 5,320,407
Kentucky	$ 4,083,020	Texas	$ 2,823,681
Louisiana	$ 2,434,127	Utah	$ 2,276,953
Maryland	$ 1,064,355	Virginia	$ 2,309,130
Michigan	$ 6,224,253	West Virginia	$ 4,219,863
Mississippi	$ 1,981,675	Wyoming	$ 2,006,201
Missouri	$ 3,482,931	Total	$141,187,829

*(Estimated reduction in railroad ad valorem taxes in 1957 if railroad assessments had been made at the same per cent of value as were the assessments of property of others. Compiled by the AAR.)

CENTRAL RAISES, C&O STANDS

(Continued from page 9)

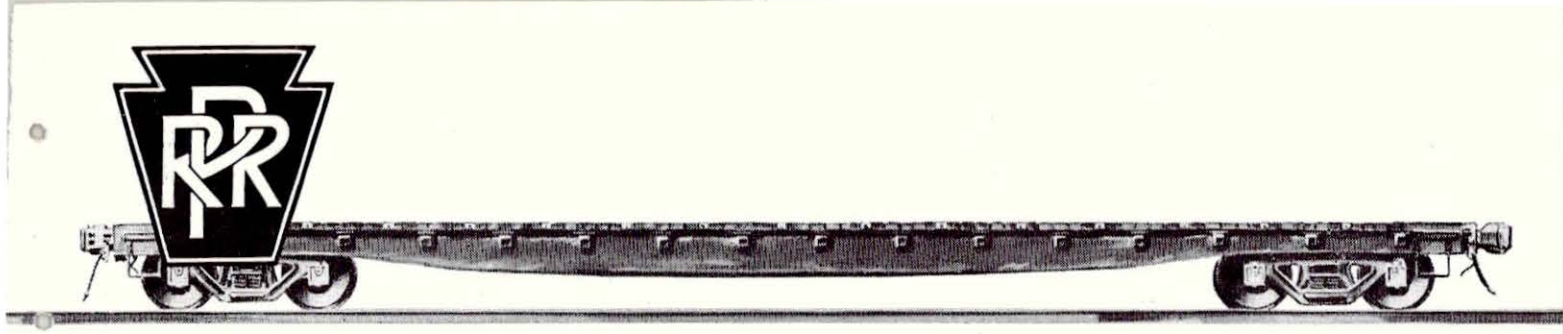
how the road's position has been affected by the Central action. C&O has reserved the right to withdraw its offer for B&O stock if it fails to get 80% of the stock.

In commenting on what appeared to be a higher bid by New York Central for B&O common stock, a C&O spokesman pointed out that the C&O offer carried the added inducement for B&O stockholders of increasing their dividends from the $1.50 per share rate now in effect to the equivalent of $2.29 a share, based on the C&O rate of $4.00 per share which has been in effect for the last four years.

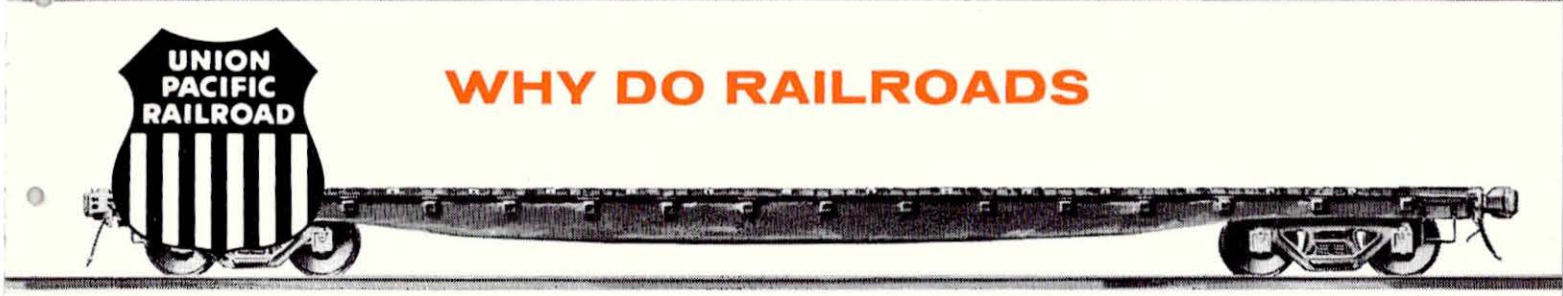
B&O President, Howard Simpson, quoted in newspaper accounts as favoring a three-way merger, stated that he had not yet received the formal proposal from the Central and could not comment until he had.

The B&O president added that he continues to believe as he has for several years that a three-way merger of the New York Central, Baltimore & Ohio and Chesapeake & Ohio "should be an ultimate goal." This position, he said, is essentially a reiteration of his views expressed last April when it became known that informal talks between the presidents of the three railroads had been held over an extended period.

Mr. Simpson pointed out that recommended acceptance of the C&O offer by the B&O board had been based on belief that the C&O proposal would be of benefit to both properties and that nothing had happened to change this belief.

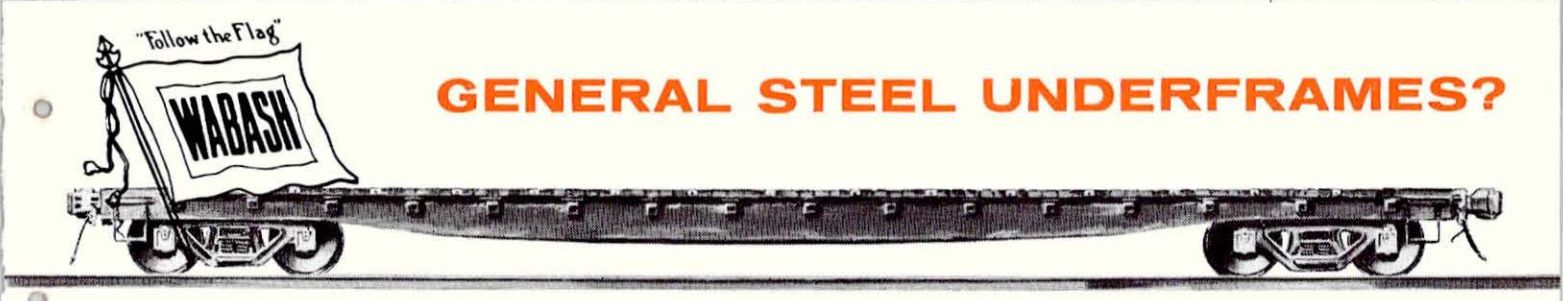


WHY DO RAILROADS

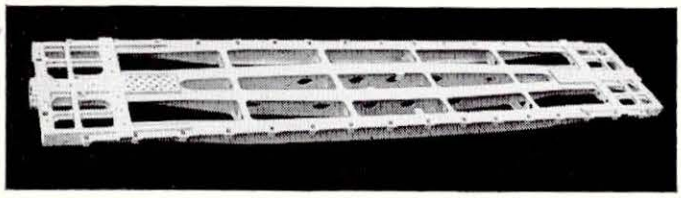


KEEP RE-ORDERING

GENERAL STEEL UNDERFRAMES?



Because years of service have proven the excellence of General Steel's one-piece designs and quality construction. Railroads recognize the advantages of:



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In the past year, the Pennsylvania, Union Pacific, Wabash, and Illinois Central re-ordered a total of 900 cast steel one-piece underframes . . . and 25 major roads have nearly 8,000 General Steel underframes in service or on order.

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ALERT TO PROGRESS
P R I
MEMBER

High Court Limits Rail Trucking

The Story at a Glance: Specific findings that "special circumstances" justify the exception must be made by the ICC in all cases wherein it grants motor-carrier rights to railroads, or railroad affiliates, without imposing restrictions to keep the highway operations auxiliary to rail service.

That's the rule of a decision announced last week by the United States Supreme Court in the case involving the Commission's grant of contract-carrier rights to Pacific Motor Trucking Co., subsidiary of the Southern Pacific.

The court did not revoke the contract-carrier permit involved. It ordered the case remanded to the Commission for imposition of tie-to-rails restrictions or findings of the "special circumstances" variety.

The Supreme Court's determination that the Pacific Motor Trucking case should be remanded to the ICC was based generally on the court's finding that the Commission failed to justify omission of the "usual" tie-to-rails restrictions.

The unanimous court opinion, announced by Chief Justice Warren, conceded that the Commission has "wide discretion" in such matters. It went on to say, however, that this discretion "has limits," which "have been transgressed" in the present case.

The contract-carrier rights in issue were granted to Pacific to authorize transportation of trucks and automobiles for General Motors Corp. They permitted an expansion of service already performed in several western states under previously-granted rights.

American Trucking Associations, its Contract Carrier Conference, the National Automobile Transporters Association, and six motor carriers brought suit in the United States District Court for the District of Columbia. The suit was heard by a special three-judge court which upheld the Commission.

ATA and the other appellants then took the case to the Supreme Court. They were supported there by the De-

(Continued on page 29)

Watching Washington *with Walter Taft*

• **RETURN OF CONGRESS** next month, after a recess for the national political conventions, could improve prospects for the legislative program of the Railway Labor Executives' Association. The recess idea was brought to the fore last week by Congress' majority leaders—House Speaker Rayburn and Senator Johnson, Democrats of Texas. Previously, there had been a drive for final adjournment of the session last weekend.

MAJOR PROPOSALS of the RLEA program include the accident reports bill, which would tighten ICC requirements for the reporting of railroad accidents; the track-car bill which would give the Commission power to prescribe rules for operation of track motor cars; and the bills to repeal or emasculate so-called train-off (service-abandonment) provisions of the 1958 Transportation Act.

THE SENATE has already passed the accident reports bill, and has the track-car bill on its calendar with benefit of a favorable report from the Committee on Interstate and Foreign Commerce. The train-off bills have advanced through the hearing stage. All of these proposals were threatened with death in an adjournment jam, if it came last week. They now have respite.

MEANWHILE, a recess is not likely to do anything for the railroad industry's program which has not generally advanced beyond the stage of having the necessary bills introduced. In other words, this is another "holding year," management wins being reflected in defeats of proposals adverse to the industry.

• **RAILROADS CAN'T BE REQUIRED,** as a matter of course, to maintain rates differentially higher than competing water-carrier rates. This has been made clear in an ICC decision (by the Commission's Division 3) approving water-competitive rail rates on iron or steel cans moving from New Orleans to Savannah.

A PROTESTING WATER CARRIER, Seatrain Lines, argued that water service can exist only at rates differentially under all-rail rates. Seatrain followed through to contend that publication of all-rail rates, which are the same or lower than water rates over competing routes, must comprise a destructive competitive practice.

THE COMMISSION'S REFUSAL to go along is another step in its case-by-case approach to interpretation of the 1958 Transportation Act's rate-freedom provision. The present case is I&S 7260.

AS AUTHORITY for its claim that Congress called for differentials, Seatrain cited the Interstate Commerce Act's Section 305(c). That says differences between rail and water rates and classifications "shall not be deemed to constitute unjust discrimination . . . or unfair or destructive competitive practice."

THE COMMISSION countered with a citation of the 1958 act which "prohibits us from holding rates of a carrier to a particular level to protect the traffic of any mode of transportation, unless the rates are in contravention of the objectives of the national transportation policy." On the latter score, the rail rates were cleared by "unchallenged evidence that they would be substantially above full costs and thus fully compensatory."

CNR Research Program Emphasizes Price, Service

Latest step in reorganization of the Canadian National's freight traffic department is division of its rate staff into three groups—one for domestic rates, one for international rates and one to handle relations with regulatory agencies. To insure that specialists in each group become familiar with problems of particular industries, the Canadian group has been subdivided into four sections, each dealing with selected commodities.

"Price and service" are the essence of the railroad's research program, G. R. Johnston, general freight traffic manager, told the Canadian Manufacturers' Association at Toronto.

The new program has been undertaken, Mr. Johnston said, because "in a comparatively short time we have moved from a position where marketing and other research were relatively unimportant, to one where the success of the railroad business as a whole, as well as of the individual road, is dependent on ability to satisfy customers."

Consequently, he explained, CNR has created within its freight traffic department a section known as "Sales Development," divided into Traffic Research and Market Research.

"Traffic Research will conduct studies with a view to assisting traffic officers to set the policy of the department. They will glean information from traffic personnel in the field, from other departments of the railway, from statistics produced by government agencies, etc. [and] . . . will make recommendation to management on such complex policy matters as rate scales, service and equipment needs, control statistics.

"Market Research will obtain most of its information from sources outside the railway. Their job is to find out the size of the transportation market for a particular commodity—the railway's present share of the market, and the additional portion, if any, available to the railway.

"After each group has developed a project . . . they will join forces and attempt to produce a form of service at a price that will attract and hold traffic. They will try to find out how goods move, in what quantity, why they move in certain patterns, and what can be done to change the pattern. The results of the studies will form a basis of decisions on rates, services, equipment, etc."

CNR traffic research, Mr. Johnston said, will be concerned also with internal statistical control. Market research will "be delighted to cooperate with any industry, if such cooperation would be beneficial" to both parties.

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If your on-line siding customers plan to expand or repair in-plant trackage, count on L. B. Foster Co. for Quality Relaying Rail at lowest cost . . . "plus" all the necessary new track accessories and switch material—even the track tools to do the job.

Prompt, dependable deliveries are assured from Foster's nationwide warehouses, all of which stock all sections of relaying rail, "plus" new rail for crane runways and specialized applications. Foster Track Specialists will help select the materials best suited to the job.

Another "plus": Foster's Track Inspection Kit, which illustrates all the elements needed for efficient industrial sidings. It's a real help for proper track maintenance.

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Pittsburgh 30, New York 7, Chicago 4, Houston 2,
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This is an 8 deg curve in an underjump at Jamaica station in which untreated rails gave 1½ years of service. Heat-treated rails are expected to last about 3 times that long before turning.

On Track No. 2, at Lynbrook, untreated rails lasted 2 years in 5 deg curve. They were replaced by these heat-treated rails, which have just been turned after 7 years of service.

BETHLEHEM STEEL

Heat-treated rails give Long Island up to 7 times longer wear

Back in 1952, the "Route of the Dashing Commuter" removed some standard control-cooled rails, worn after two years, and replaced them with 115 RE Bethlehem heat-treated rails. The location was Lynbrook, L.I., Track No. 2. The curvature was 5 degrees, and the purpose was to test curve wear.

In 1959, after seven years' service, the heat-treated rails were turned end for end with the expectation that they will endure another seven years. Since the control-cooled rails lasted but two years, the Long Island stands to gain as much as 7 times longer wear from the heat-treated rails at this point.

Several other test installations of treated rails have been made by the Long Island, some of them illustrated here. The tests are still in progress, but results so far look very favorable.

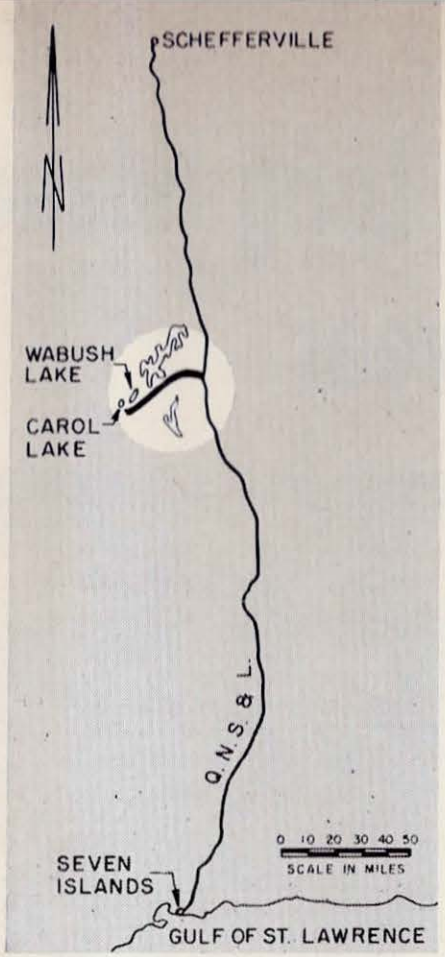
This is one more in a growing string of success stories for heat-treated rails. There surely must be points on your system where heat-treated rails would give you more for your money. Why not have a talk with one of our engineers?

BETHLEHEM STEEL COMPANY
BETHLEHEM, PA.

Export Distributor: Bethlehem Steel Export Corporation

This 8 deg curve at Valley Stream, with heat-treated rails, has already lasted 2½ times as long (before turning) as the untreated rails previously laid here.

Track No. 1 at Lynbrook is also a 5 deg curve; heat-treated rails have already lasted twice as long as control-cooled rails, have not yet been turned.



NEW LINE, being rushed to completion this year, will serve ore developments near Wabush and Carol lakes.

CROSSTIES, with tie plates already applied, are shipped to site in bundles of 25. Here a fork-lift tractor distributes ties on new subgrade. Special care was taken to line ties properly before rail laying began.

New Ore RR Uses Welded Rail

► **The Story at a Glance: Construction of new railroad lines to tap deposits of iron ore is a continuing procedure. Among current projects of this type is a 37-mile line being built in Labrador as an offshoot of the 357-mile Quebec North Shore & Labrador. Construction features include heavy-duty track built with 132-lb rail welded into long lengths before being laid.**

Never before was new track built like this. That's because track had never been built with rails 1,000 ft long.

Handling rails of that length in new track construction might, at first glance, seem to present some pretty difficult problems. But the two crawler tractors used make it seem easy as they pull two of the rails out onto the ties previously placed on new sub-grade. With the two lengths lightly spiked in position, the rail train moves ahead to the end of track to allow the next pair of rails to be unloaded. Daily production: 6,000 ft of track.

The new line on which this procedure was followed is, in effect, a branch of the Quebec North Shore & Labrador. The QNS&L, 357 miles long, was built several years ago to carry iron ore from Schefferville, Que., to tidewater docks on the Gulf of St. Lawrence at Seven Islands, Que. The line extends almost due north from Seven Islands (see map).

Construction of the branch, 37 miles long, is a joint undertaking of the Iron Ore Company of Canada (which also owns the QNS&L), and the Wabush Iron Company Ltd.* To own and construct the new line, these companies, early in 1959, set up the Northern Land Company Ltd., which they own on an equal partnership basis.

The line is being built in anticipation of iron ore from the Carol Lake mine of the Iron Ore Company and the Wabush Lake mine of Wabush Iron. Initial production is expected to be 5 million gross tons of ore per year, to be hauled during an eight-month period, with an ultimate capacity of up to 20 million tons per year, should market conditions warrant.

Although the Carol Lake mine isn't expected to go into production until early in 1962, and the Wabush Lake mine some time in 1965, the branch is being rushed to completion this year to handle shipments of heavy machinery to the mine sites.

To reach these mining operations the line was projected westward from a junction with the QNS&L at a point 224 miles north of Seven Islands. As to grades and curvature, the line is built to the same specifications as the QNS&L. Maximum grade against

LONG RAILS were pulled off the rail train two at a time by a team of crawler tractors. Movement of rails during unloading operation was facilitated by use of roller assemblies. ▶

* The Iron Ore Company of Canada is jointly owned by a group of American and Canadian companies that includes the Hanna Coal & Ore Corp. (a subsidiary of M. A. Hanna Company, Cleveland), Armco Steel Corporation, National Steel Corporation, Republic Steel Corporation, Youngstown Sheet & Tube Co., and Wheeling Steel Corporation.

The Wabush Iron Company Ltd., is jointly owned by Pickands, Mather & Co., the Steel Company of Canada, and Youngstown Sheet & Tube.

loaded trains is 0.4% compensated. The maximum against empties is 0.85%, also compensated. The maximum curvature in use is 5 deg, with only one curve in this category. The remaining curves are 4 deg or less.

The track is laid with 132-lb rail continuously welded by the flash-butt process into strings 1,000 ft long. The ties—9 ft long, 7 in. by 9 in. in cross section—are equipped with double-shoulder 14-in. tie plates, anchor spiked in position using the Spencer spike. When completed, the ballast section, consisting of crushed rock, will be 24 in. deep and will extend 18 in. beyond the ends of the ties.

Follows the 'Natural Grain'

In general, the new line follows the "natural grain" of the country. It crosses the Ashuanipi River at Mile Post 4, follows the shores of several large lakes in the vicinity, and crosses two large muskeg sections. Much of the line is in country whose natural materials are not suitable for subgrade construction because of their frost-susceptible characteristics. This necessitated the wasting of materials excavated from cuts and ditches and the borrowing of suitable material for the fills from large borrow pits located elsewhere. Where unsuitable materials were encountered in cuts and in shallow fill areas, excavations were made to a minimum depth of 6 ft below subgrade and backfilled with granular material. Solid rock was encountered in only three cuts of major importance.

Grading operations, started in May 1957, were completed by January 31, 1960. A total of 4,260,000 cu yd of material was moved. Other major construction features include a bridge 320 ft long across the Ashuanipi River, and two major culvert installations consisting of multiple lines of 12-ft Multi-Plate pipe.

The work of welding the rails into 1,000-ft lengths was done under contract by Matisa Railweld, Inc., which set up its welding plant in the Iron Ore Company's yard at Seven Islands. The original intention was to ship the long rails directly to the job after welding. However, because of delay in the delivery of ties, it was necessary to stockpile rail at Seven Islands and rehandle it when adequate numbers of ties had arrived. Preparatory work included the fastening of tie plates to ties before they were shipped to the job.

Track-Laying Schedule

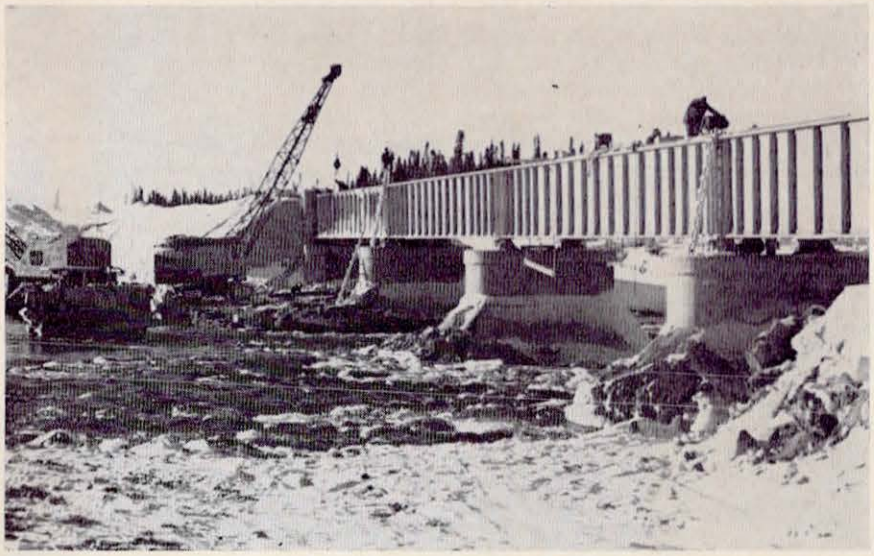
Here's how the track-laying work was carried out:

The operation was scheduled on the basis of 6,000 ft of track per day, complete except for ballast. All parts of the operation were geared to this daily quota. The work for each day began with the loading of a string of empty ore cars with 12 of the long rails, or sufficient to lay 6,000 ft of track. Rails were placed on the cars in a single tier.

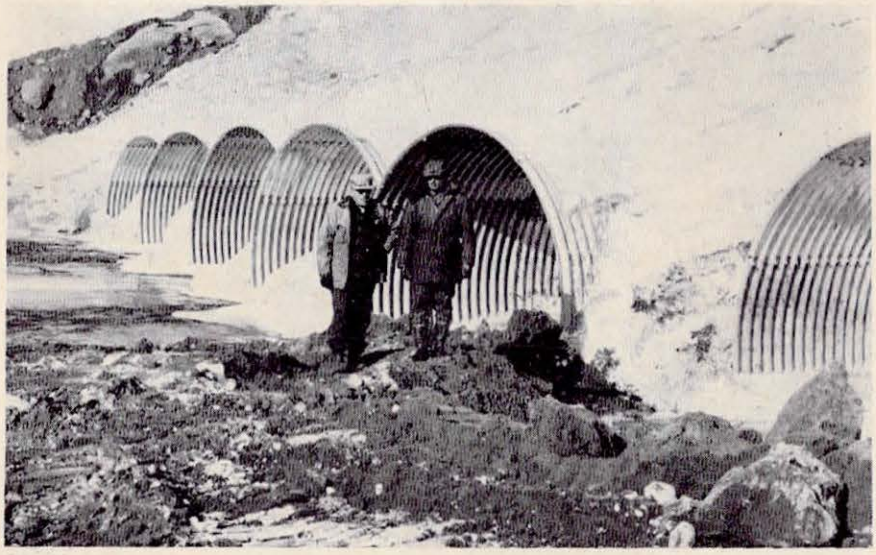
The rails were shipped to the job in the same consist as the required number of ties for a day's track-laying. Before loading, ties were assembled in bundles of 25. Each night, after the day's rail-laying operation had been completed, ties for the next day's work

(*Continued on following page*)

AFTER RAILS were unloaded they were lowered onto ties by screw-type adjustment on rollers.



BRIDGE across the Ashuanipi River, a 320-ft girder structure, is the largest on the line. This view was taken during erection.



MULTIPLE LINES of large Multi-Plate pipes were installed at two locations. This view shows six lines of 12-ft pipe at Wabush narrows.

NEW QUEBEC RAILROAD

(*Continued from preceding page*)

were distributed. In this operation the bundles were placed at pre-determined locations along the grade. With the bundles broken, fork-lift tractors were used to place the ties in their correct position. Special care was taken in lining the ties properly before rail laying began.

Track-laying operations started with the morning shift when the train load of long rails was moved to the end of steel.

Preparatory to the rail-laying operation, roller assemblies, specially developed for this job, were distributed ahead of the rail train, being spaced 74 ft apart.

To start the day's work, two lengths of rails were pulled ahead on the roller assemblies until the rear end of each string matched the forward end of the last length laid. At this point the strings were lowered into position using a screw-type mechanism incorporated in the roller assemblies. The assemblies were collapsible so they could be removed from under the rails.

Tractors Pull Rails Forward

Two small crawler tractors were used to pull the rails forward. With a tractor positioned on each side of the track, a "whiffle-tree" arrangement was used to transmit pulling force to the rails.

When each pair of strings had been placed in position on the tie plates, joint bars were applied, and each fifth tie was spiked to hold the rails to gage while the rail train moved forward into position for unloading the next lengths.

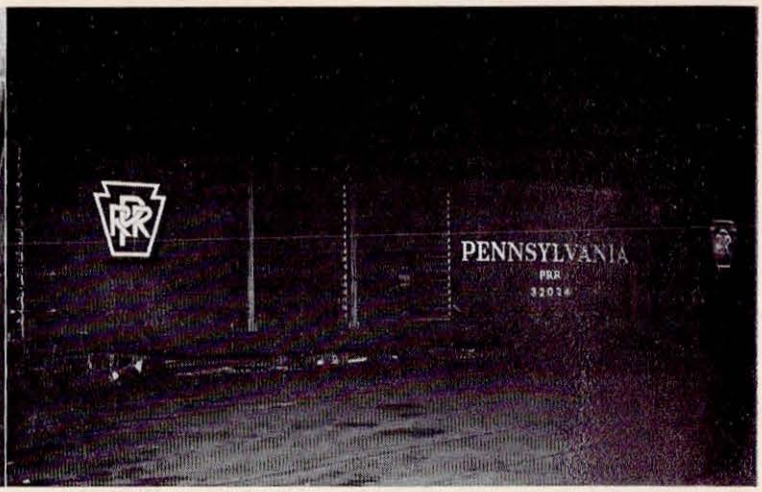
Behind the rail-laying operation a production spiking crew completed the spiking, and two rail anchor machines applied the anchors. Spikes and rail anchors were distributed from the rail train as it moved forward.

Ballasting operations are now under way. It is expected this work will be completed by next October 1, according to B. M. Monaghan, manager of the Northern Land Company, who is in charge of the construction of the new line. Mr. Monaghan is also chief engineer of the QNS&L.

Trackage to be built as part of the project includes a small interchange yard at the junction with the QNS&L, and two sidings at intermediate points. At Mile Posts 36 and 37 there are junctions with spurs serving the mining companies.

All main-line switches will be power operated and trains will be operated under CTC control.

Sprays on like stencil paint



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This safety feature of "Codit" Reflective Liquid carries an advertising bonus, too. Your road's name, trademark and slogan stand out in the dark—sure to be seen *more* often by *more* people.

Reporting numbers also show up clearly in any light beam. They can be read faster and more accurately at a considerable distance. Their brilliance is ideal for TV reporting systems.

In one low-cost step, "Codit" Reflective Liquid is applied like stencil paint with regular spraying equipment. It goes on wood or metal—right over rivets, ribs and posts. For complete information about this *paint with vision*, please write Dept. RCG-740, Minnesota Mining and Manufacturing Company, St. Paul 6, Minnesota.

"Codit" Reflective Liquid is already in service on the Chesapeake & Ohio, Louisville & Nashville, Missouri Pacific, Pennsylvania, Rock Island, Soo Line, and Western Maryland.

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RUNNING TIME over subway-elevated route will be cut when the new cars are all in service.

Philly Upgrades Its Transit Fleet

The Story at a Glance: The City of Philadelphia, embarked on a big program to upgrade and improve transit operations, is re-equipping its Market-Frankford subway-elevated line with new cars. First units of the 270-car order are being introduced in special ceremonies this week.

The stainless-steel cars, costing $25 million, promise important operating economies because of lighter weight and speed. City engineers figure savings of $6.5 million in operation and maintenance during the 35-year life of the new cars.

The Budd Company, building the new cars, expects to complete delivery of all 270 cars by January 1961.

Philadelphia's 12.8-mile Market-Frankford subway-elevated line begins to take on a new look this week as delivery begins on new transit cars that, within a year, will replace all existing rolling stock and permit a major overhaul in present operations.

Delay in obtaining greater intermediate benefits from the new cars stems from two reasons: The new units will be fed into service as delivered, but the city must maintain existing facilities to service the old cars until all are replaced; and, mixed operation of new and old cars during transition will prevent maximum utilization of the new units for improved schedules.

Within 12 months, however, the Philadelphia Transportation Co., operator of the system for the city, expects to trim six minutes off present running time. Savings of up to 12% in power consumption are anticipated, too, because the new cars are lighter weight.

These 270 cars represent Budd's first entry of consequence in the transit-car building field. In moving into this type of work now, the company has relied on 30 years' experience in turning out stainless steel railway cars; and has introduced changes in construction and design that promise high utilization and low operating cost.

The 270 Philadelphia cars—half purchased by the city and half by the operating company—consist of 46 sin-

gle units, with an operating cab at each end; and 112 permanently coupled pairs, with only one cab in each "A" and "B" unit.

All cars are 55 ft 4 in. over couplers, 9 ft wide over corrugations, and 12 ft 9 7/16 in. in height from the rail to the top of roof ventilators. Single units weigh 52,000 lb each; "A" units 50,000 lb, and "B" units, 50,500 lb.

Seating has been arranged, according to Budd spokesmen, to provide "the highest ratio of seats ever provided in a rapid transit car of similar length." All units have transverse seating—54 seats in each single unit and 56 in each unit of permanently coupled pairs. Vertical and horizontal grab bars are provided for standees.

Car interiors are finished in colored plastics, stainless steel and anodized aluminum to provide easy-to-clean surfaces and long wear. Three colors of plastic are used: gray in ceilings; turquoise for bulkheads and the wainscot beneath windows, and coral for upper walls and side door pocket panels. Floor coverings are black rubber, ribbed in aisles and doorways.

Three pairs of electro-pneumatically-operated sliding doors are on each side of all cars. Doors are staggered to reduce congestion in loading and unloading. Door controls are interlocked so they may be operated by the conductor from any cab in a train, with door engines adjusted for opening speed of 1.4 seconds and closing speed of 2.6 seconds. Passenger and cab side windows are tinted safety sheet glass.

The four ventilating units on each car produce a distinctive roof-line. The system is thermostatically controlled to begin operating at 65 deg. At this stage the dampers open and fans begin moving about 500 cu ft of air per minute. Fan speed adjusts automatically for higher temperatures, and at top speed will change air in the car four times a minute. For wintertime service, the cars are equipped with 600 volt DC electric strip heaters mounted at the floor along side walls. This system, too, is thermostatically controlled.

Both the builder and the city say the stainless steel construction will eliminate the need for periodic painting and corrosion repairs. Savings are estimated at $428 per car per year. It is understood the city allowed for such savings by using a $7,000 per car differential in favor of stainless steel when judging competitive bids.

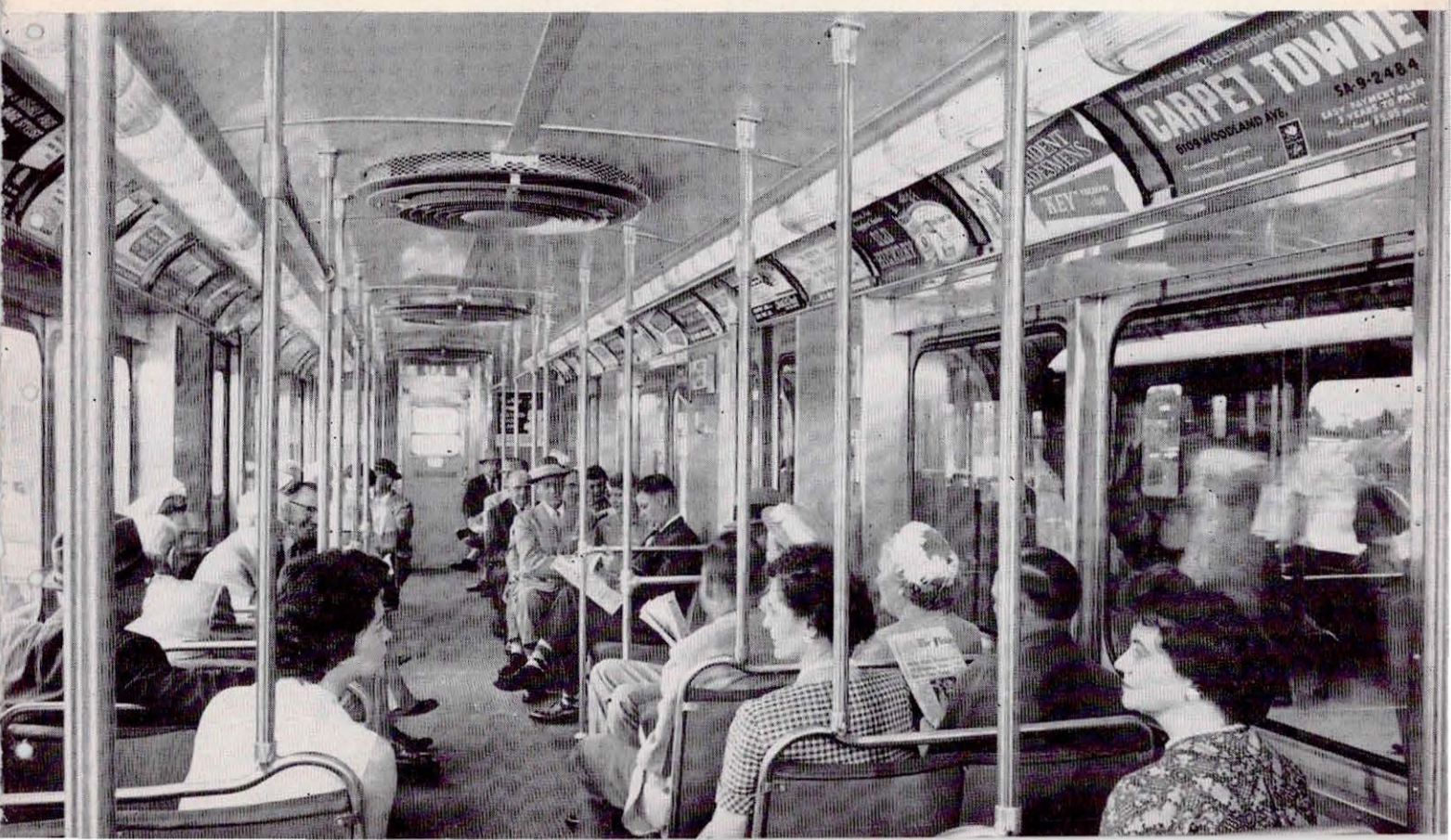
Important details in the construction of the new cars are illustrated in the accompanying photographs. Total crippling strength of the floor is 275,000 lb, and the entire structure was "squeeze-tested" at a static end load of 200,000 lb without any permanent deformation of the car body.

TRANSIT ROUTE getting new cars is line from extreme left to upper right of map in plastic wall panel.

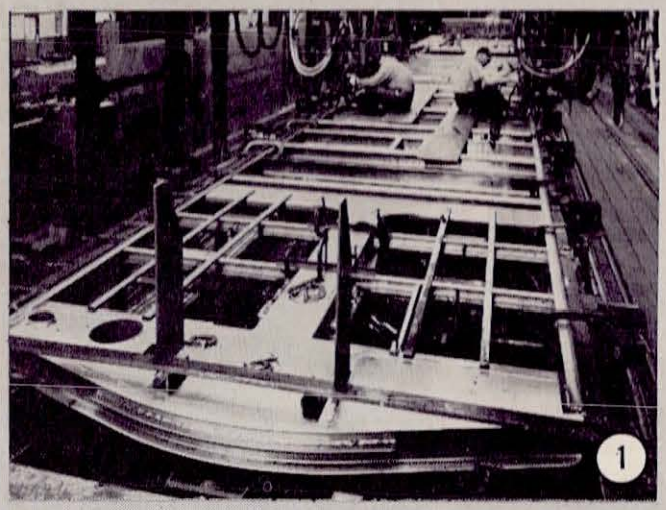
The cast steel trucks on all 270 cars incorporate a special air spring mounted on each side of the truck bolster. This device combines a steel coil spring, which supports the light weight of the car, with a pressurized air bellows, which supports the passenger load. Air pressure adjusts automa-

Construction Pictures, and More Text, on Following Pages

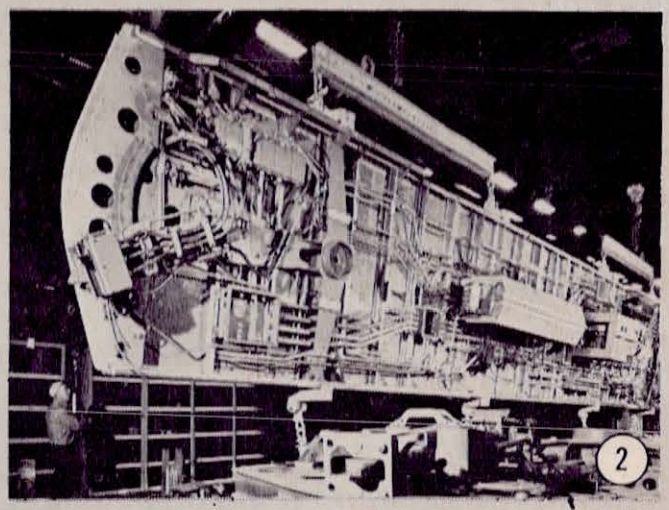
BRIGHT INTERIORS, fluorescent lighting and transverse seating feature the new Philadelphia cars.



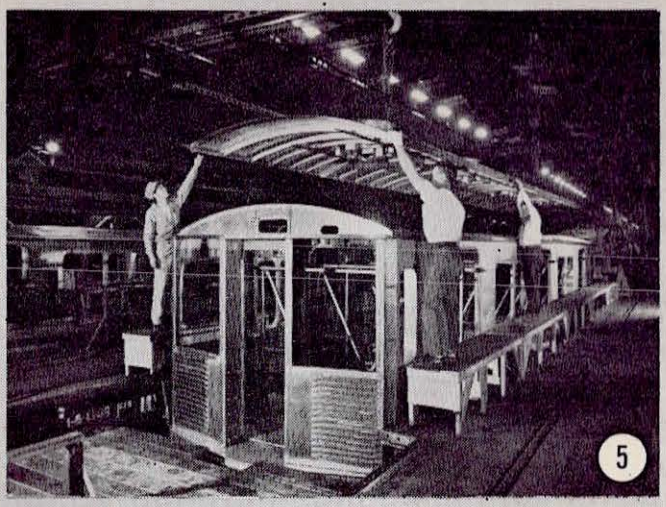
Here's How the Cars Are Put Together



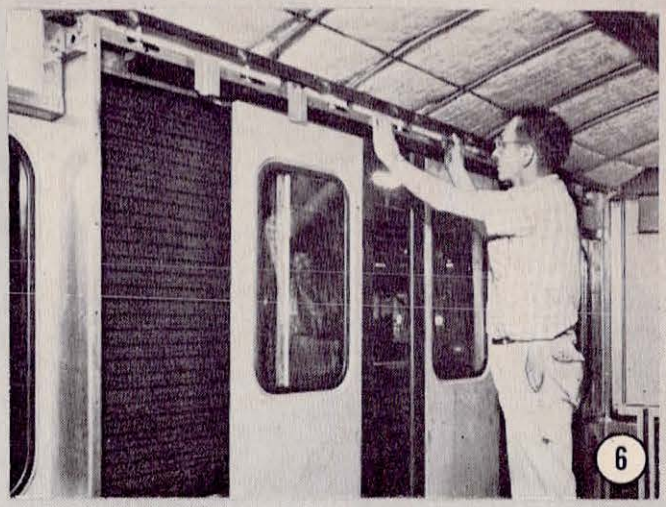
New rapid-transit car takes shape in floor structure assembly jig at Budd plant. Design of end underframe transfers stresses to stainless steel side sills, eliminates need for center sill.



Underfloor equipment shows as floor is inverted before transfer to car-body erecting bay. Visible components include coupler, master control box for traction equipment and air compressor.



One-piece roof assembly is lowered into place to complete car body. Car structure is designed as a girder, with roof and floor serving as chord members and sides carrying the shear.



Car interior is lined with ¾-lb-density Fiberglas wool insulation in all areas except door pockets and end frames. These areas are sprayed with asphalt water-base emulsion.

PHILLY UPGRADES TRANSIT FLEET (*Continued from page 21*)

tically to accommodate varying passenger loads.

Traction equipment and controls are designed for single or multiple unit operation of from two to ten cars in any combination of units. Each car is powered by four 100-hp traction motors. Gear ratio is 8.14 to 1, giving an acceleration rate of 2.75 miles per hour per second—almost three times the rate of present equipment.

The cars are equipped with both dynamic brakes and tread brakes. The dynamic brakes decelerate the cars down to approximately 5 mph, at which point they fade and the tread air brakes bring the car to a stop.

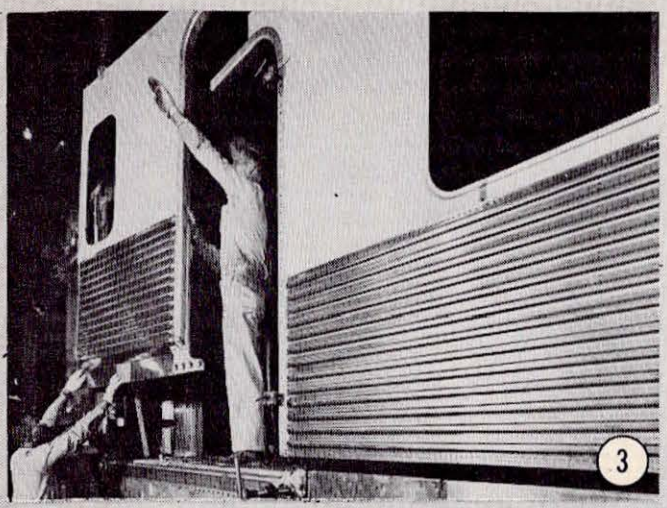
Power for the cars is provided by third rail (600-volt DC), which operates heating, lighting and ventilation systems in addition to traction motors. Controls, marker lights and interior emergency lights are battery powered, and a motor generator unit is mounted under the floor to maintain battery charge.

Illumination is from fluorescent light tubes in two raceways running the length of the car at either side of the ceiling.

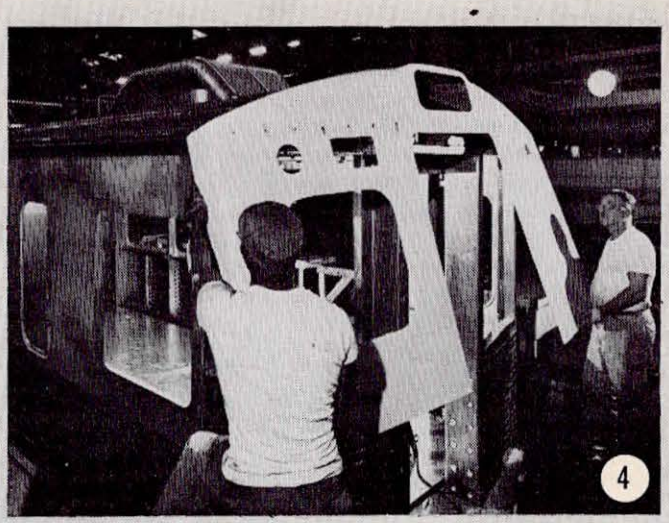
For economy, each of the paired cars has but one motorman's cab and, when paired, also share a single motor generator and batteries on one car and compressor on the other.

The independent models, each fully equipped, will operate singly or permit linking with odd numbers of cars.

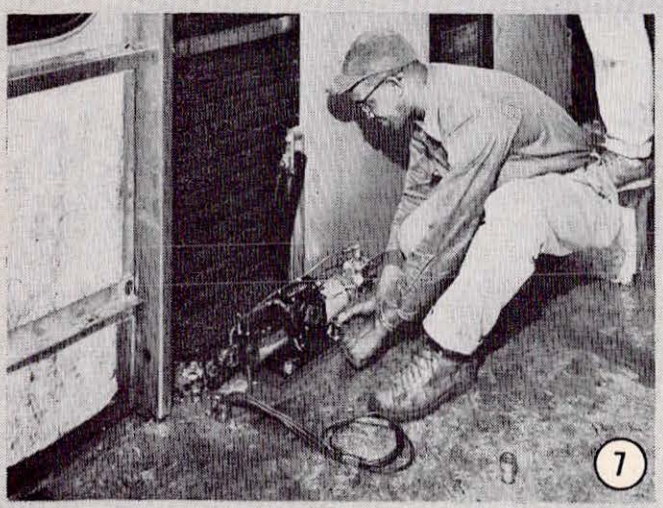
The new cars will replace an existing



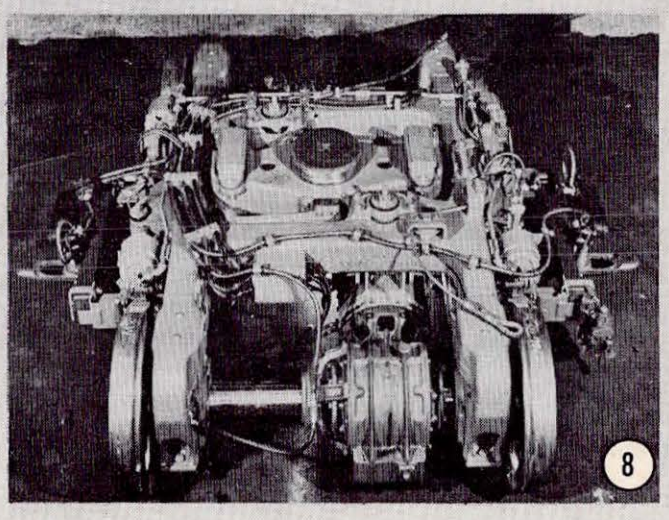
Sub-assembled side frames are welded to car floor. Side panels are formed of corrugated stainless below the belt line and flat stainless sheets above. Door gussets are ⅝-in. stainless.



Upper front end of car is Fiberglas-reinforced polyester plastic, moulded in one piece—complete with contours and openings. Plastic surface is impregnated light grey to match cars.



Side entrance doors are internally-reinforced hollow construction, individually powered by electrically-controlled pneumatic door engines. Doors open in 1.4 sec.



Cast steel truck is arranged for 5-ft-2¼-in-gage of Market-Frankford line. Each 100-hp traction motor is connected directly to a right-angle hypoid gear drive.

313-car fleet. Present cars range from 37 to 52 years old.

Mayor Richardson Dilworth heads a group of 400 city officials and civic leaders scheduled to participate in ceremonies marking inauguration of the new equipment on Thursday, July 7. Also participating will be Council President James H. J. Tate; Budd President Edward G. Budd, Jr.; Douglas M. Pratt, Philadelphia Transportation Co. president; PTC Vice President O. L. Olson; William T. Gennetti, commissioner of public property; and E. L. Tennyson, city transit operations engineer.

Mr. Gennetti said acquisition of the new cars marks "a milestone in the history of public transportation in Philadelphia."

"The city will be the first to have a rapid transit line wholly equipped with a stainless steel fleet," he commented. "Undoubtedly the cars will be unsurpassed for comfort, speed, quiet and low maintenance."

The $25 million financing for the cars was approved by a special committee on mass transportation headed by Victor E. Moore as chairman. Financing was arranged after the voters approved a bond issue. The costs will be repaid to the city treasury by the PTC out of transit revenues.

Department of Public Property engineers planned the cars with Budd and PTC technicians after studying modern cars in use elsewhere and the latest developments in transit car design.

Yards—Revamp or Build New?

► The Story at a Glance: Should railroads build new freight yards or modernize old ones?

Majority opinion seems to favor new yards. Expectations are that from five to ten modern classification yards will be built annually during the next ten years. Many such yards pay for themselves in three to five years.

A modern classification yard has automatic retarder controls and automatic switching. An "old" yard has manual retarder controls, with or without automatic switching—or no retarders at all.

A decision to modernize an old yard or to build a new one must be based upon the answers to several questions:

- Is the railroad's traffic pattern changing?
- What location will be most advantageous from a traffic standpoint?
- Is the old site large enough? Can adjacent land be obtained? Can a new site be found at a reasonable price?
- What will be the extent of interference to revenue traffic during construction of a new yard? Can switching be done at other yards?
- Are present retarders and switch machines outmoded, or can they be reused?
- Can car and locomotive maintenance facilities be combined at one location?

Availability of Land

If the old yard site is too small, obtaining adjacent land will be one of the first considerations. When the old yard is in a downtown area, vacant land is usually not available. When vacant land is available, it is usually expensive because of its prime industrial desirability. Some roads have found that building a new yard on an old downtown site is prohibitive because of the need to provide grade separation for vehicular traffic.

Grades up to 3% or 6% followed by 2% are now used from the crest of the hump down to the master retarder, and up to 5.9% through it. Older manual retarder yards generally used variable grades ranging from 2.5 to 4.5% from the crest through the master retarder. The steeper grades in newer yards, when combined with decelerating body track grades, provide faster separation of cuts, resulting in faster classification and increased capacity.

Classification tracks must be graded to provide a non-accelerating 0.0 to 0.1-0.3% grade from the group retarder to the departure end. A small ascending grade is provided at the departure end so cars do not run out and foul the yard leads. It must not be so steep that cars will stop and roll back towards the hump. The profile of the yard is that of a bowl or saucer.

Existing retarders probably can be reused. If the class track power switches are of the newer types which operate in 0.6 sec or less, they also may be reused. Older, slower switches, unless modified, would slow the humping process and reduce yard capacity.

Regrading will necessitate taking parts of the yard out of service for varying periods of time. Class tracks can be regraded individually or in groups, leaving others in service. During the period the hump is out for regrading, cars will have to be flat switched. Similar circumstances will arise when the hump and switching controls are tested upon completion of construction.

During the construction period, yard capacity will be materially reduced. Backlogs of unclassified cars can be minimized by "blocking" trains and classifying at other yards.

During the modernization period, yard personnel will be undergoing on-the-job training. They will have to develop the flexibility necessary to meet operating conditions which may change from day to day.

One advantage of building a completely new yard at a new site is that it provides all new equipment, from which a better maintenance record may be expected. The problems of classifying cars in a yard partially out of service, of conflict between work and revenue equipment, and of the chain reaction effect that delays at the yard may have on the rest of the system, are not encountered. Revenue operation may continue at the old yard until the new yard has been built and tested.

Land outside a city costs more than it once did. A former standard practice was to go outside the city and buy some fairly cheap land for a new retarder yard. The old city yard then became available for industrial development. Competition for land in and near cities has been particularly sharp during the last few years.

One railroad rebuilt an old yard because nearby vacant land was prohibitively expensive. Vacant land that the road could afford was too far away. Another railroad found that suburbs had expanded so that vacant land sufficient to hold a classification yard was not available. With some land costing $1,000 or more per acre, a 600-acre yard commands a stiff price, even before earth is turned.

Earth moving costs a lot of money. The ideal site for a new yard would require minimum grading. One railroad spent a lot of money for earth moving because its new yard could be located only in hilly terrain.

A site for a new yard should allow an orderly flow of rail traffic. Placing a new yard adjacent to the existing mainline eliminates extensive yard leads. The new yard should not create excessively long industry switch runs. Junction points play an important part in new yard location. The site for the hillside yard mentioned above, even though it increased earthmoving costs, was selected because of its accessibility to several branches.

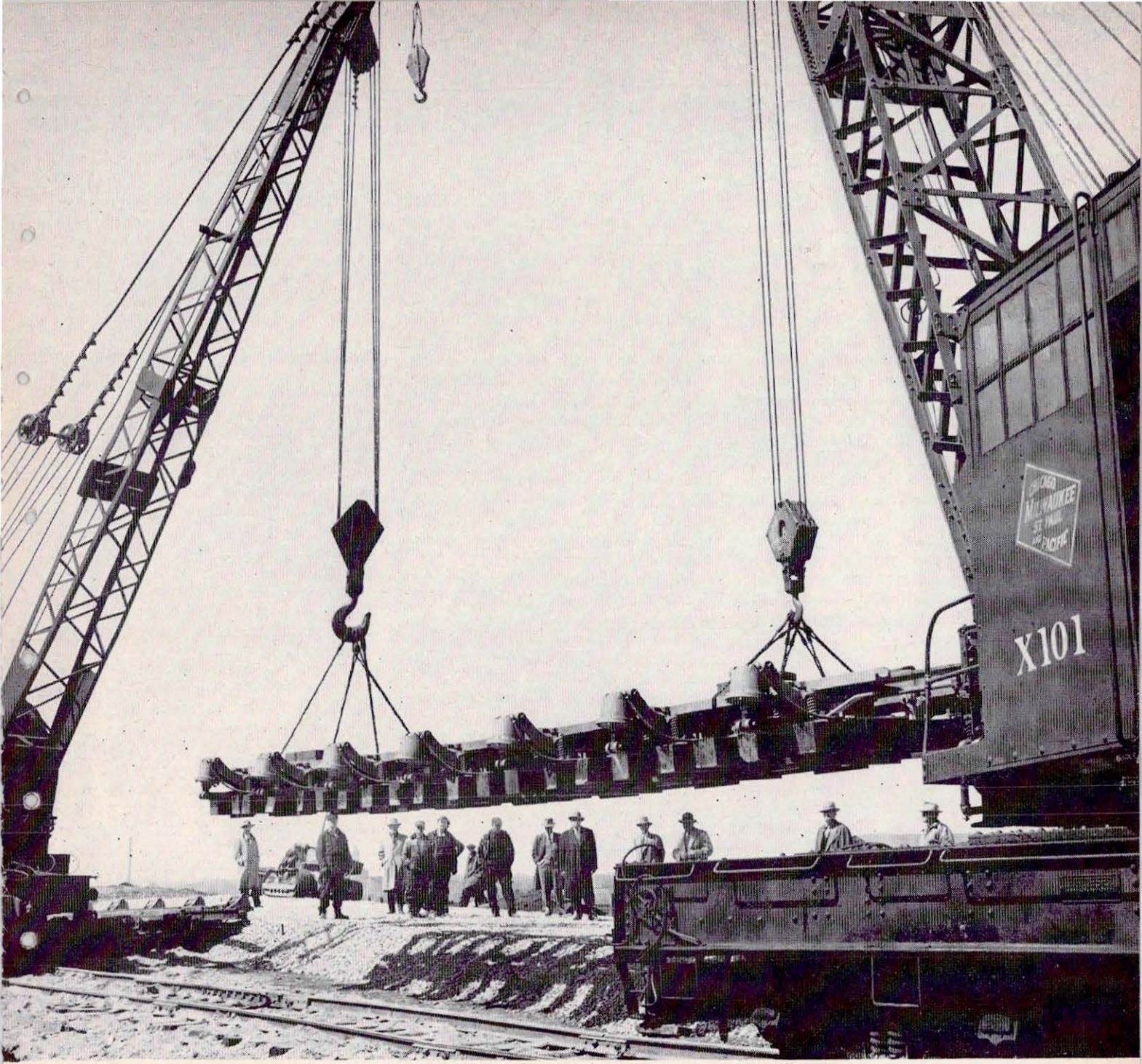
Adequate Yard Tracks a Must

Adequate receiving and departure yard tracks must be included. One railroad, which built a new yard within the last five years, anticipated 150-car trains. Now it is running trains of 200 to 250 cars and is saddled with short receiving and departure tracks.

There is a trend toward avoiding reclassifying entire trains at new yards. One road arranges its trains with cars in blocks. The train enters a yard on a long running track, a block of cars to be classified is cut off, and another block that has been classified is added. Thus, a new yard plan should consider running tracks of sufficient length to handle properly the longer relay trains that may be contemplated.

Moving the freighthouse to the new yard will simplify rail movements but may complicate vehicular movements. Nearness to industry, city traffic congestion, driving distances, driving time, pickup and delivery moves, and possible consolidation of freighthouses must be studied to determine whether the new yard site is the best place for the freighthouse.

It is considered good practice to have locomotive and car repair facilities at a new yard. Such an arrangement avoids the transfer of bad order equipment. Consolidation of several repair facilities is often possible, with a resulting decrease in repair and operating expenses.



EXISTING RETARDERS may be used when modernizing an old yard. However, automatic controls will have to be added.

Availability of transportation for yard personnel should not be overlooked. One railroad had to provide bus service from the end of a city bus line to its yard. The bus also makes hourly trips over a route covering the entire yard area. Also, it may be necessary to construct a new Railroad YMCA to house trainmen.

When an old downtown yard is abandoned, the site can usually be made available for industrial development. If city zoning permits, warehouses and small industries may be able to use the land. Larger industries would probably prefer the suburbs, where there would be greater room to expand. The location of an industrial development near the new yard can mean short transfer moves and better service to the shipper.

If the cost of constructing a new yard is too great for one railroad, two or more roads may be able to undertake joint construction and operation. Two southern roads engaged in such a cooperative project a few years ago. Costs were apportioned on the basis of the traffic handled by each road. Two eastern roads are considering a similar plan. Railroads undertaking a joint operation must be fairly close to minimize the length of connecting tracks.

Another way to spread the cost of a new yard was demonstrated by one railroad which constructed two modern yards. A second railroad entering the two cities in which the yards are located has made arrangements to use the yards. The second railroad will pay for such things as classifying and servicing according to the number of its cars, locomotives and crews that use the yards. Thus, the non-owning road will have the advantage of a new yard without constructing one. It is anticipated that the non-owning road will convert its old flat yards to industrial development parks to help defray the rental.

Special Report: A Professor

By DR. WALTER KRAMER

Assistant Professor of Marketing Management, University of Notre Dame

The major problems facing American railroads are cast in a governmental framework, the nature and extent of which is probably not present in any other industry. Encouragement and aid to competitive forms, rate adjustment restrictions, and diversification limitations are but a few examples of the kinds of problems in this category.

The Weeks report of a few years back, the hearings in connection with the Transportation Act of 1958, and the current Department of Commerce Report are typical of the many documents which "spell out" the difficulties under which the rail carriers operate in this connection.

Differences of Opinion

While there may be differences of opinion regarding the virtues of a mixed economy, it must be admitted that the phrase "government of the people, for the people and by the people" is still useful in describing our form of government. Our faith in a democracy over other forms of government has always rested on the implied assumption of an intelligent and informed electorate. To bring this about, Americans, through public as well as private means, have long sought to make education at all levels available to everyone.

The trouble is that the kind of economic problems now comprising the government-transportation area have become so complex that the typical "well informed citizen" is no longer equipped to deal with them. General knowledge is not enough. Now additional emphasis must be placed upon education. But to make efforts in this direction most effective they should be concentrated where they will accomplish the most.

Just as railroads would not advertise the merits of their freight service in a women's magazine or a nature lovers' periodical—just as they would here attempt to "sell" the most influential, or those whose decisions in this area of transport service are most directly useful—so the rail carriers ought to be interested in developing a better understanding of their problems on the part of those who will shortly be most influential in affecting it.

There is no question that this role will be played largely by students now in our colleges and universities and by those about to enter. The flood of freshmen of the next decade is a challenge to railroad public relations. The resources devoted to meeting this challenge can be more productive here than elsewhere, for two reasons:

First, this sector of the citizenry is that group to which the total population will delegate its economic and political power. Here is to be found tomorrow's managers. Secondly, here is a significant sector of public opinion that might well be described as anti-railroad. The incremental results of efforts expended here will be greater than that directed elsewhere.

On the basis of my discussions with faculty members and students in recent years at the University of Oregon, Indiana University and the University of Notre Dame, as well as conversations with men from other schools both here and abroad, my impression is that the typical attitude of members of the group is one of apathy, if not outright antagonism, as far as railroads are concerned.

The general attitude is that air and highway carriers can best be described as young, vigorous and enterprising. Railroads are thought to be archaic, anachronistic carry-overs from another age, run by stubborn old men insulated from the realities of the real world by tradition and seniority. Those of us in the universities who do not hold these beliefs are definitely in the minority.

RR Plight Is Over-Sold

It is my opinion that railroads have over-sold the "deteriorating railroad" situation and other "wailing wall" propaganda programs, which produce strong negative reactions on the part of faculty and student. Such constant reference to "starving railroads" and competition kept alive by "heavy subsidies" produces anything but the desired effect upon this group.

There are, fortunately for the United States, a significantly large number of railroads that are certainly not starving. The question of "heavy subsidies" of other modes is still an area where honest men find honest disagreement. I hold that the quantity and quality of this propaganda has caused the college student and faculty member to conclude that the railroads' present situation is due to technological obsolescence, management stupidity and greed.

A distorted and romantic impression of the sins of the "robber baron" type of railroad management of the past is cited by many students, both formal and informal, of American political and economic history, to confirm this belief.

Management-Faculty Cooperation

Since students look to the faculty for guidance and direction, the first step in the correction of this difficulty would seem to be in the improvement of communications between the rail carriers' management and the faculty. In many cases this misunderstanding has already degenerated into mistrust and suspicion. The first step in narrowing this gulf must be taken by rail management. It is unfortunate that their competitors have already made significant progress in this direction. What are the rail carriers doing in this connection? It is indeed disappointing to see that in view of what could be done and what should be done, they have done practically nothing.

There are, however, a few significant exceptions to this generalization. One of these is the participation of some of the carriers in the summer faculty fellowship program of the Foundation for Economic Education of Irvington-on-Hudson, N.Y. Three railroads—the Illinois Central, the Santa Fe and the Southern Pacific—offered such a program last summer. I feel that it was a privilege to have been a part of the program at the Illinois Central.

I was not unfamiliar with railroad management before I came to the Illinois Central but I was not quite prepared for what I saw. The people of the Illinois Central have a great story to tell and in general they told it well. The program as arranged by George M. Crowson, assistant to the president, and Clifford G. Massoth, public relations officer, was obviously the result of considerable effort on the part of many people, and was designed to maximize the benefits within the time allotted.

I must confess that I applied for and accepted the Foundation for Economic Education Fellowship with some misgivings. Many of my colleagues were quick to discount the value of such an experience. In general, they argued it would be a proselytizing program and that this would be particularly so with a railroad.

Nothing could have been further from the truth. The men I met on the

Visits Railroad Management

Illinois Central were frank, open and anxious to be helpful. They prepared folders, brochures, and outlines concerning their area of work. They were willing and seemed sincerely pleased to answer all questions, no matter how naive or delicate. Although there were times when I felt that the answers were not adequate, they were, I believe, honest answers and designed to be helpful. The men were willing to let me by my questions determine the direction of the interview or discussion. No areas were "out of bounds." What I got out of the program, may in a very real sense have been limited only by what I brought to it—by the questions I asked. There certainly was no evidence of intention on the part of the Illinois Central officers to limit my inquiry.

In general, the representatives of the Illinois Central management that I met are positive, vigorous, seasoned, experienced and well informed. They participate in various professional activities and hold membership in relevant professional associations designed to further their knowledge and skill.

Participation Is Encouraged

Top management encourages such participation. Many officers have attended various executive training courses or in-service training programs. While willing to discuss and fight against their concept of unequal treatment of transport modes by the government, they do not let this blind them to profit opportunities existing even under present unfavorable circumstances. With minor exception, they do not look for sympathy but demand respect.

One of the most impressive features of the operation of this property is the incorporation of new techniques and the substitution of factors of production in the effort to produce a better product at less cost. Following is a list of some, but not all of these changes:

- Substitution of automatic interlocking equipment for tower men.
- Substitution of mechanical m/w equipment for labor.
- Automatic refueling of locomotives.
- Microfilming of records.
- Extensive use of audio-visual aids.
- Fill in place of bridges.
- Push button yards.
- Use of air rights.
- Station consolidations.

(*Continued on page 30*)

IC's 1960 College-Business Exchange Schedule

This year's version of the program Dr. Kramer describes in his report on these pages got under way June 6. Two faculty members—Dr. George H. Sorter, assistant professor of accounting, University of Chicago, and Professor Julius W. Waits, assistant professor of commerce & economics, Centenary College of Louisiana at Shreveport—are holders of this year's fellowships. Following is the schedule that was set up for them:

June 6	Committee Meeting and Orientation—Traffic Dept.
June 7	Traffic Department
June 8	Traffic Department
June 9	Traffic Department—Gold Pass Luncheon—Open Afternoon
June 10	Traffic Department
June 13	Engineering Department
June 14	Engineering Department
June 15	Engineering Department—Open Afternoon
June 16	Engineering Department
June 17	Purchases & Stores—Board Luncheon—Treasury Dept.
June 20	Accounting Department
June 21	Accounting Department
June 22	Accounting Department
June 23	Secretary—Open Afternoon
June 24	Purchases & Stores
June 27	Operating Department
June 28	Operating Department
June 29	Operating Department — Trip over
June 30	Operating Department — Railroad
July 1	Operating Department
July 4	HOLIDAY
July 5	Operating Department—Chicago Terminal
July 6	Personnel—Open Afternoon
July 7	Personnel
July 8	Law Department
July 11	Law Department
July 12	President's Office—Suggestion System
July 13	Public Relations—Magazine
July 14	Suggestion Meeting 11 a.m.—Open Afternoon
July 15	Open Day

Open afternoons and times during the two final days were scheduled to permit the professors to investigate subjects of particular interest. The schedule has a certain flexibility; free time can be shifted if necessary to accommodate the departments. Where possible, the fellowship professors are invited to department meetings. In 1959, for example, the professors sat in on a personnel department meeting with the clerks' union, attended a traffic department rate meeting, and met in the general manager's office with a committee investigating a suburban delay.

New Products Report

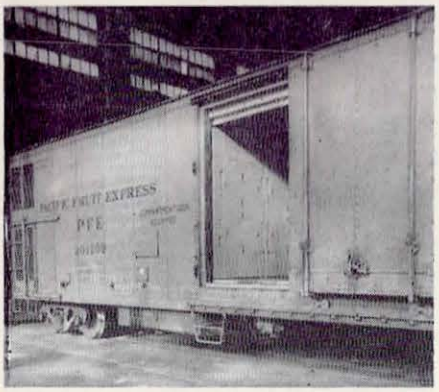
Transceiver with Subset

The data transceiver for punch card transmission can now be used with the digital subset for sending information over conventional dial telephone lines. This new feature provides more operating economy, flexibility and efficiency. Ten cards per minute can be sent using the non-printing data transceiver, and nine cards per minute using the printing transceiver. Regular toll rates apply. Direct dial connections are set up by the transceiver operator.

Operating on high-speed telegraph lines, the data transceiver with digital subset can send 11 cards per minute. Rates are on a time-charge basis.

The digital subset feature may be installed on transceiver equipment now in use on leased lines. A switch permits operation over either conventional lines or over leased lines as a standard transceiver.

Another switch, permitting direct voice or teleprinter operations over the leased line, may be provided by the telephone or telegraph company. *IBM Data Processing Division, Dept. RA, 112 East Post Road, White Plains, N.Y.*



Improved Compartmentizer

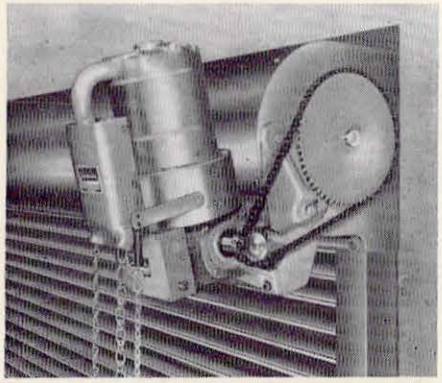
Gates on the latest P-S Compartmentizer can be pivoted 360 deg and swung outside of the doorway to facilitate palletized lading or use of fork trucks. Gates can be moved from car end to car end because floor and ceiling keepers extend the full length of car. Three-pronged locking bars permit locking at 1½-in. increments. The gates can be moved across and locked in doorway area without special bars or extra load bracing. An automatic spring loaded safety catch prevents unlocked gates from swinging and damage. The first train movement swings gate toward wall and engages the floor lock. Floor and ceiling locking gives cars smooth, flush side linings. The Compartmentizer can be adapted to refrigerator cars, and regular or insulated box cars in normal service having door openings ranging from 6 to 15 ft. Approximate weight per set of four, complete and installed in a PS-1 40½-ft car, is 6,900 lb; in a 50½-ft car, 7,400 lb. *Pullman-Standard, A Division of Pullman Incorporated, Dept. RA, 200 South Michigan Avenue, Chicago 4.*

Vapor Degreaser

A two-stage ultrasonic vapor degreaser thoroughly and quickly degreases and decarbonizes oil strainers, pistons and rings, valves, fuel pumps and other automotive and locomotive parts. Volatile solvents for degreasing, and aqueous solutions for decarbonizing, can be used alternately. To degrease, parts are placed in (1) boiling sump, (2) ultrasonic sump, (3) flushed with a power spray using filtered and distilled pure solvent, and (4) finally, a condensing solvent vapor removes any residue.

The ultrasonic cleaning method is based on the use of high frequency sound (40 kilocycles per second). The sound creates submicroscopic bubbles that are constantly forming and collapsing against the surface of the part being cleaned. The bubble bombardment breaks down the grease, which is then removed by the solvent.

The vapor degreaser operates on 208/230 volts, 50/60 cycles ac drawing 25/30 amp. Boiling sump capacity is 7 gal., ultrasonic sump capacity is 6 gal. *Narda Ultrasonic Corp., Dept. RA, 625 Main St, Westbury, L.I., N.Y.*



Rolling Door Operator

A new Kinnear electric power operator is available for use with metal rolling doors. It is designed so the electric motor can be removed without disturbing operation of the auxiliary hand-chain operator provided for emergency operation of the door. The manual unit is engaged, and the motor disengaged, by means of a pull chain.

Available in seven sizes, depending on door size and electrical current, the new operator can be mounted in a vertical or horizontal position on a wall or bracket. A momentary-contact three-push-button control, which can be mounted adjacent to the door or at a remote location, is standard equipment. Other types of controls that are available include key-operated stations, single or double-acting pull cords and constant-contact push buttons. Waterproof, dust-tight or explosion-proof enclosures are available for installation over the unit. *The Kinnear Manufacturing Company, Dept. RA, 1192 Fields Ave., Columbus 16, Ohio.*

partment of Justice which failed again (as it has many times in recent years) to play its normal role of supporter of the Commission.

The Supreme Court noted how the Commission and the courts have recognized Congress' expression of "a strong general policy against railroad invasion of the motor carrier field." It went on to find that this policy applied not only to common-carrier operations authorized under the Interstate Commerce Act's Section 207, but also to contract-carrier operations authorized under Section 209. The latter was involved in the present case.

The only reason assigned by the Commission for its failure to impose the usual restrictions was that they would compel Pacific to conduct a common-carrier service. This determination was supported by the Commission and other appellees (Pacific and General Motors) by citation of provisions of the Act which deny the Commission authority "to impose such character-destroying conditions upon a contract carrier permit."

This reason "is insufficient justification" for the Commission's action, the court said. It added:

"Assuming that the restrictions which would limit Pacific Motor's operations to an auxiliary and supplemental service would also be incompatible with a contract carrier operation, and that the Commission was consequently powerless to impose those restrictions, this alone does not, in our view, meet the 'special circumstances' test. There is, for example, no finding that independent contract carriers were unable or unwilling to perform the same type of service as Pacific Motor."

The appellees also argued that confinement of railroad trucking was no longer necessary because independent trucking is no longer an "infant industry." That argument, the court called "immaterial in this forum." It added:

"We do not condemn the wisdom of the Commission's action. We simply say that the transportation legislation does, and that the pardoning power in this case belongs to Congress."

In ordering the case remanded to the Commission, the court rejected contentions of ATA and other appellants that it should merely cancel Pacific's permit in view of implications that the Commission found "no special circumstances aside from the alleged impossibility of imposing the usual restrictions upon a contract carrier." The determination to remand was based on the court's unwillingness, "in a complicated proceeding of this nature, to deal with this problem *ab initio* or to say that the Commission could not have made additional findings on the basis of the evidence had it been aware that the ground its decision rested upon was insufficient."

A leading case on the "special circumstances" issue is that wherein the Commission granted unrestricted truck-operating rights to Rock Island Motor Transit Co., subsidiary of the Rock Island. The "special circumstances" there were the failure of independent truck lines to provide adequate service on the routes involved. This case, too, went to the Supreme Court where the Commission was upheld (RA, Dec. 16, 1957, p. 9).

Improperly Loaded Freight Wrecks Passenger Train

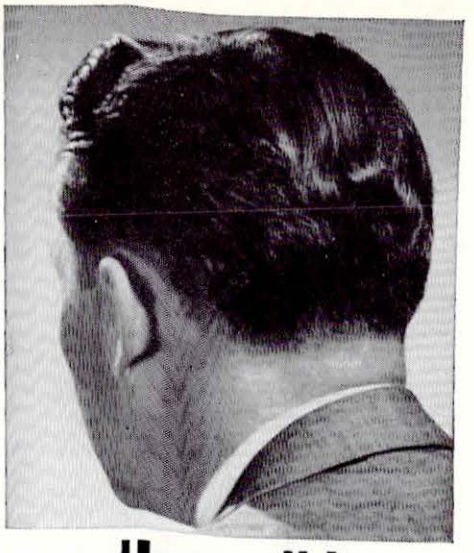
A shipper's failure to comply with AAR loading rules was responsible not only for damage to the improperly secured freight but also for wrecking a 17-car passenger train and injuring four passengers.

That's the conclusion of ICC Accident Report No. 3871, covering derailment of Pennsylvania passenger train No. 39 at Newton Hamilton, Pa., about 48 miles east of Altoona, at 12:27 a.m. last Dec. 9.

The accident, on four-track line, was caused by a piece of machinery which fell from a flat car in a westbound freight train about 40 min. before the derailment. The falling machinery knocked the adjoining passenger track out of line by about two feet at each of two points. These displacements, in turn, derailed the passenger train, despite an emergency brake application by its engineman.

Just west of the accident point, the freight train activated a dragging equipment detector, and the ICC report suggests that the accident "might have been minimized or even prevented" except for the unexplained failure of an operator to pass this information on to the passenger train's crew.

But the investigation places the primary blame on the shipper for failure properly to block the machine which fell. This machinery had been mounted on skids, and the skids cleated with 2x4's to prevent lateral movement, as specified by ARR rules. But the cleats, in turn, were secured to the car by nails "of insufficient size and number, and driven through the cleat at an angle instead of vertically, as prescribed." As a result, the cleat worked loose, allowing the machinery to move laterally toward the north side of the car, and eventually to fall off against the adjoining track.



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Why do some men get ahead faster than others? Usually because they have better technical training.

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The Railway Educational Bureau was organized over 50 years ago by the Union Pacific Railroad. A few years later, it became an independent organization in order to serve employees on all American Railroads. Today more than 70 American Railroads co-operate in making the Bureau's wide scope of service available to their employees. On the Bureau's Individual Service Plan, instruction, assignments and evaluation are handled entirely by mail. The low enrollment cost (less than 14¢ per day) entitles you to a very wide selection of subjects.

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The Railway Educational Bureau
1809 Capitol Avenue, Omaha 2, Nebraska

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- ☐ Car Inspector
- ☐ Sheet Metal Worker
- ☐ Pipefitter
- ☐ Boilermaker
- ☐ Blacksmith
- ☐ Apprentice
- ☐ Lineman
- ☐ Wireman
- ☐ Fireman
- ☐ Engineer
- ☐ Draftsman
- ☐ Signal Maintainer
- ☐ Engineering Dept.
- ☐ Mechanical Dept. Office
- ☐ Official, Supervisor, Foreman, Chief Clerk
- ☐ Other (please specify)

Name_____

RR_____ Job_____

Address_____

City_____ Zone____ State____

A PROFESSOR VISITS RR MANAGEMENT (*Continued from page 27*)

- Central billing.
- Tickets by mail.

The uses of the IBM 705, actual and potential, in simplifying some of the mountains of detail work in the accounting department was most impressive. The broad public relations attitude of the officers was only one of the tributes to the very effective work being done by the public relations department. The enthusiasm of those in charge of the Suggestions System appeared contagious. Of course there were some areas in which we might have disagreed; however, the net effect was an impression of top grade professional management.

The Illinois Central is particularly well able to present a picture of railroad management which, in spite of handicaps imposed upon it, is making excellent use of its facilities for the benefit of its shareholders, its employees and the general public. These men do not look for sympathy. They ask for respect and they earn it. I think most faculty members would be surprised to learn that the Illinois Central has been named the best managed railroad by the American Institute of Management in its recent listing of the best managed American companies. Out of a possible 10,000 points the Illinois Central was awarded 9,045 points—more than any other rail carrier, and more than many firms in many other industries.

It would perhaps be an even greater surprise to learn that there are other railroads that are also well managed properties, that in spite of all the nonsense to the contrary there are vigorous sectors in this industry. That any faculty members, particularly in Schools of Business, should be surprised to hear this, should be the deep concern of railroad management.

Railroad management does a better job than they let people believe they do. The best way to let the influential people of the future know of their problems and achievements is through today's college and university faculties. The Summer Fellowship program of the Foundation for Economic Education is an economical, effective means of doing this.

Railroading After Hours with Jim Lyne

OUT WEST, IN BRAZIL—There hasn't been an old fashioned train robbery—masked bandits and violence—in this part of the world for a long time, praise be. But they still happen—only a couple of weeks ago there was one in Brazil. A gang of 10 men blew up the track under a pay-car train on the Central do Brasil Railway. They killed one employee, wounded four others, and made their escape in a Ford truck with $100,000 of loot.

Newspaper clippings from Brazil, telling of the assault, came to me from Loyd Kiernan (formerly executive vice president, B&M. and before that an information officer of the AAR). The police, Loyd says in a note, "have several good clues and expect to make an arrest very soon." If they do, we'll pass the word along.

A far back as I go, I don't reach back quite far enough to encompass the era of train robbery as a common occurrence—but my Dad was on a stuck-up train one time, on the old Alton, east of Independence, Mo. That was pretty nearly the geographical center of the train robbing profession.

'SEMI-CONDUCTOR'—They tell me there's a new synonym around for brakeman. It is "semi-conductor" and the innovator is Stan Holland, MP director of employment practices (according to my colleague, Bob Lewis). Come to think of it, brakeman isn't a particularly accurate term any more—trainman is much more nearly descriptive; and the British term "guard" is just about as adequate. But people usually like to stick to the words they're used to, even when they've lost much of their meaning.

PAINTS LOCOMOTIVES—I have before me an issue of the American Artist magazine for June, containing an illustrated piece about John C. Wenrich who makes water-color paintings of locomotives. Some of them (reproduced in the magazine) in black and white are so carefully detailed that I would take them for photographs. Howard Fogg, who recently did a railroad series for the P&LE, likewise has the ability to rival a camera for detail. Artist Wenrich's subjects (judging from the article) are primarily from the PRR. Diesels have a higher ratio of fuel efficiency than the handsome steamers—but, apparently, a lower artistic and emotional appeal.

PAST UNLAMENTED—There's one relic of the past which has few mourners. That's the crossings of two railroads at grade, requiring whistle-stopping of all trains. There are some of them left, of course, but not a fraction of their former number.

In my youth, I used to ride frequently on a 70-mile stretch of double track that had three of these crossings—which must have added at least an hour to the schedules of all freight trains. There was one of these crossings in my home town, right at one end of a busy yard—meaning that every switching movement had two extra stops to make.

Such delays are now, for the most part, a thing of the past, thanks to modern signalling. A great addition has been made to "productivity" of railway labor, but with less rather than more work by employees involved.

WORKING RULES WEIGHED—Northeastern University has sent me a 72-page pamphlet, "Manpower Utilization in the Railroad Industry," authored by Professor M. A. Horowitz. I haven't finished reading the treatise yet and I've run into some statements I don't agree with. However, I'd go along with the author's conclusion that the working rules are a serious problem for the industry—and that "a thoroughgoing investigation and analysis" is called for.

That is just what the railroads asked for a year or more ago, under government auspices, but the unions wouldn't join them in the request; and President Eisenhower turned the proposal down. Judicial weighing of this issue could be most helpful.

MARKET OUTLOOK *at a glance*

Carloadings Drop 1.3% Below Previous Week's

Loading of revenue freight in the week ended June 25 totaled 641,628 cars, the Association of American Railroads announced on June 30. This was a decrease of 8,202 cars, or 1.3%, compared with the previous week; a decrease of 56,169 cars, or 8.0%, compared with the corresponding week last year; and an increase of 14,443 cars, or 2.3%, compared with the equivalent 1958 week.

Loadings of revenue freight for the week ended June 18 totaled 649,830 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, June 18

District	1960	1959	1958
Eastern	90,809	104,631	93,358
Allegheny	109,644	135,562	110,560
Pocahontas	57,538	60,101	53,977
Southern	116,047	116,923	108,754
Northwestern	105,852	116,405	90,926
Central Western	117,997	131,254	119,664
Southwestern	51,943	59,402	50,771
Total Western Districts	275,792	307,061	261,361
Total All Roads	649,830	724,278	628,010
Commodities:			
Grain and grain products	55,275	67,225	63,439
Livestock	3,704	4,412	3,955
Coal	115,884	123,248	121,601
Coke	7,115	11,081	5,647
Forest Products	41,002	42,467	35,275
Ore	74,595	81,229	52,528
Merchandise l.c.l.	35,452	39,872	44,189
Miscellaneous	316,803	354,744	301,376
June 18	649,830	724,278	628,010
June 11	648,463	709,841	622,686
June 4	574,301	680,617	613,381
May 28	640,388	687,063	529,779
May 21	636,808	686,152	570,425
Cumulative total, 24 weeks	14,498,707	14,996,489	13,204,647

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended June 18 totaled 11,096 cars, compared with 9,140 for the corresponding 1959 week. Loadings for 1960 up to June 18 totaled 253,503 cars, compared with 185,762 for the corresponding period of 1959.

IN CANADA.—Carloadings for the seven-day period ended June 14 totaled 77,701 cars, compared with 78,065 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
June 14, 1960	77,701	26,844
June 14, 1959	82,703	28,509
Cumulative Totals		
June 14, 1960	1,610,298	676,058
June 14, 1959	1,630,504	654,772

New Equipment

FREIGHT-TRAIN CARS—SPECIAL

► *May Bad Order Ratio 0.6% Lower Than Last Year.*—Class I railroads on May 1 owned 1,674,256 freight cars, 33,024 less than a year ago, according to AAR report summarized below. Bad Order ratio was 0.6% lower than May 1, 1959.

	May 1, 1960	May 1, 1959	Change
Car ownership	1,674,256	1,707,280	—33,024
Waiting repairs	129,533	141,020	—11,487
Repair ratio	7.7%	8.3%	— 0.6%

FOREIGN

► *Argentine State Railways.*—Contracted with General Railway Signal Co. for signaling equipment to modernize portions of four railways. CTC will be installed between La Paz and Alto Verde, 49 miles. A 35-mile carrier link will transmit CTC codes from the sectional-type control machine in Mendoza to the first field location, Alto Verde. A second CTC installation will be made between Victoria and Pergamino, 122 miles, with a sectional control machine at Retiro. Carrier link will also be employed in this installation. Automatic block signaling will be installed between Retiro and Boulogne Sur Mer, 13 miles; Buenos Aires and Tapiales, 7.3 miles; Lynch and Pereyra, 6.6 miles; and Retiro and Jose C. Paz, 24 miles. Equipment will be provided for the control of interlockings in this automatic block territory, including several to be controlled by Syncrostep remote control. Also to be installed, is a large unit-wire relay interlocking at Federico Lacroze terminal.

New Facilities

► *Canadian Pacific.*—Ordered equipment from General Railway Signal Co. for installation of 52 miles of CTC to extend the present installation between Glen Tay and Port Hope, Ont., to Agincourt.

► *Great Northern.*—Ordered equipment from General Railway Signal Co. for installation of CTC between Bainville and Didson, Mont., 200 miles.

► *McCloud River.*—will complete construction of new office-station building at Burney, Cal., this month at a cost of approximately $25,000.

► *New Haven.*—Ordered equipment from General Railway Signal Co. for installation of CTC between Derby Junction, Conn., and Poughkeepsie, N. Y., 75 miles. About 62 miles of second main track will be removed.

► *Northern Pacific.*—Ordered equipment from General Railway Signal Co. for installation of CTC between Laurel and Livingston, Mont., 100 miles.

a RAILWAY AGE time-saver page

Management Criticized in N

The Story at a Glance: The Interstate Commerce Commission inquiry into New Haven operations opened last week with the submission of verified statements of Commission staff members. The statements criticized NH management for "extravagant expenditures," for defects in car and locomotive maintenance, and for permitting NH's trucking subsidiary to be outstripped by highway competitors.

What an ICC investigator calls "extravagant expenditures" were made by the New Haven in the 1954-1956 period to provide hotel apartments, living accommodations in the road's general-office building and an executive suite in Grand Central Terminal for the road's former president, Patrick B. McGinnis. Mr. McGinnis is now president of the Boston & Maine.

The "extravagant-expenditures" report was in one of several verified statements filed by members of the Commission's staff in the NH investigation case. That's No. 33332, originally instituted as an inquiry into a NH commuter-fare increase but later broadened into a probe which is getting into allegations of "mismanagement" (RA, May 16, p. 44). Public hearings opened last week before Commissioner Webb in New Haven, Conn.

Matthew Paolo of the Commission's Bureau of Accounts, made the report on "extravagant expenditures." His report also said NH's investment in lightweight trains which did not prove practical may cost "some $5 million"—unless the equipment can be sold.

Another experiment with new equipment, which also proved impractical, Mr. Paolo said, involved the acquisition of 10 rail cars at a cost of $777,820. Only one of them was ever placed in service. There is also reference to the lease of 200 piggyback cars which were "only partially utilized by the railroad."

Mr. Paolo also had in his report some comment on the employment contract President George Alpert now has with the road. Under terms of the contract, he said, Mr. Alpert is employed as chief executive officer until May 31, 1961, with compensation to be not less than $60,000 per year. Mr. Paolo then added:

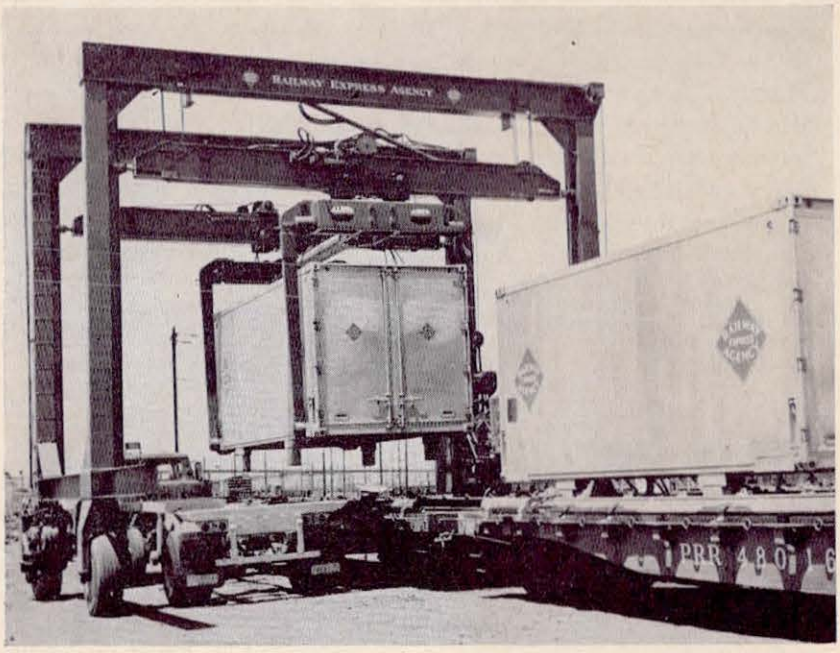
The contract further provides annual payments of $25,000 for a period of 12 years from June 1, 1961, to May 31, 1973, as severance pay and as deferred compensation for services performed and to be performed by him. It would appear that the effect of this arrangement is that Mr. Alpert will be compensated at the rate of $120,000 yearly for five years' actual services."

There was also reference to other employment contracts and settlements in the form of cash payments and pension arrangements which they have involved. Meanwhile, Mr. Paolo reached the general conclusion that present annual salaries of NH executives "are not excessive" when compared to salaries paid by other railroads. He hastened, however, to add:

"Of course, it should be borne in mind that fees paid by New Haven to outside consultants, legal firms, etc., are substantially greater than on other roads; which in effect increases the general expenses of the New Haven to the third highest" in a group of 10 comparable roads.

Mr. Paolo's discussion of NH road and equipment property included descriptions of various sales and lease-back transactions whereby the road improved its cash position and its reported net income in 1954 and 1955. Generally, the transactions involved sale of rolling stock to companies which repaired it and then leased it back to the road. Thus the repair costs did not enter operating expenses, and reported net income was further augmented by depreciation and amortization credits.

As to the "experimental" lightweight trains on which the prospective loss is "some $5 million," Mr. Paolo said it was unfortunate that this equipment was purchased instead of leased on a short-term basis "until proven practical." He noted, however, that the



REA Tests 'Compatible' Containers

"Complete success" is the report on initial Railway Express Agency operating tests of a new compatible rail-highway-sea container system. The report is based on two weeks of daily highway-rail-highway movement of containerized shipments both ways between New York and Pittsburgh. Tests were conducted jointly by REA, the Pennsylvania and Railiner, Inc., of Birmingham, Ala., supplier of the 8 x 8 x 20-ft, 10-ton containers, and of other special equipment, used in the trial operation. The system features use of a mobile, pneumatic-tired hydraulic van carrier that straddles both track and adjacent roadway and transfers either containers or truck trailers, in any sequence, between rail piggyback or flat cars and skeleton semi-trailer chassis. The van carrier transfer device has adjustable L-shaped arms; can lift any make of container or trailer, 20- to 40-ft long. The Railiner freight car tie-down device runs along both outside car edges; permits quick, safe securing of any size container or piggyback trailer; includes longitudinal rubber shock mount tie-down bars that fasten into stake pockets.

prospective loss might be reduced if negotiations, now under way, result in sale of the trains to a South American country.

Mr. Paolo's analysis of purchases of NH securities by the road and its subsidiaries indicated a potential loss of about $6½ million on the basis of current market values. He noted that the courts have enjoined consummation of a preferred-stock-purchase agreement which would have resulted in a loss of $7,990,000.

A report on the condition of NH cars is embodied in a verified statement by Elmer Garner, safety inspector, of the Commission's Bureau of Safety and Service. While he criticized much, he did make the flat statement that "no instance was found where a car was operated in unsafe condition."

Mr. Garner went on to warn, however, that "if certain repairs are not made in the near future, it will be either necessary to hold out of service a large number of cars or to operate them in unsafe condition."

"The coaches, other than stainless steel coaches," Mr. Garner said, " are generally in need of classified repairs and some of the stainless steel coaches are in need of some inside repairs. All of the coaches have dirty interiors and the upholstery of the seats is very dirty and objectionable. The parlor cars and sleeping cars are in good condition and the interiors are clean. A few of these cars, however, are in need of some truck repairs. The dining cars are in fair condition and the inside appearance is presentable. There are, however, some cars in which the inside appearance could be greatly improved by painting, cleaning and minor repairs."

"Outstanding defects" in all classes of cars were identified by Mr. Garner as "worn condition of the trucks, broken window glass, and torn diaphragm bellows and hoods."

As to repair facilities, Mr. Garner reported that NH now has none for making classified repairs. He thinks it "imperative" that such facilities be provided, and that repair and refurbishing programs be initiated and maintained.

A similar report on the condition of NH locomotives was made by another Bureau of Safety and Service man—Mechanical Engineer Philip J. Brannigan. He found that an adequate locomotive maintenance program did not exist in many of the past 10 years and is "still lacking."

Two district supervisors of the Commission's Bureau of Motor Carriers collaborated on a verified statement reporting on operations of NH's trucking subsidiary—New England Transportation Company. The collaborators, Joseph A. Day and Howard S. Thayer, were both formerly employed by NET, and their report was quite critical.

As they summarized it, their investigation showed that:

1) Through its original design as a truck substitute for rail service, a pattern of small shipments producing small revenue per shipment, moving short distances at high cost, was imposed many years ago by the New Haven on NET. The pattern still existed at the time of this investigation.

2) The New Haven never did furnish enough traffic of its own to NET to permit maximum use of personnel, equipment and facilities. The primary purpose of NET was to permit the New Haven to abandon high cost branch line rail freight service.

3) Due to the requirement that rail freight substitute service must be given first consideration, NET's freight solicitation was, for all practical purposes, largely restricted to points supposedly served by the New Haven.

4) The policy forced upon NET a highly-complex series of routes—based upon the supposed needs of the New Haven—which meant an excessively high overhead for NET.

5) Due to the strait-jacket pattern imposed by the New Haven, NET, though a pioneer in truck transportation, and possessing the advantage of "grandfather rights," was unable to expand and develop in the critical years 1930 to 1950. As a result it was outstripped by its truck competitors.

6) NET's costs, the direct result of the parent company's policy, were so high that the parent company itself, in many instances, did not and does not employ NET service in picking up and delivering l.c.l. freight, but instead hires lower cost local carriers.

7) For years the New Haven has been complaining bitterly that truck competition was taking away its freight. Yet it turned its back on the ready-at-hand means—NET—whereby it could have fought off a substantial part of this competition.

Editors Afield

IRON JCT., MINN.

Duluth, Missabe & Iron Range's Traffic Control Center here handles approximately 104 miles of line with five 3-ft track diagram modules stacked two high. The same track diagram would require 20 to 30 ft on a conventional CTC machine. According to my informants, the DM&IR machine would cover about 300 miles on any other railroad, but many lines radiate from Iron Jct. in all directions to serve iron mines in the area.

I was told that things are pretty quiet now because the steel companies are operating "quite a bit" below capacity. But on a typical day for this "quiet" period—Thursday, June 16—the dispatcher handled 41 DM&IR trains, 14 GN trains and 80-85 switch and mine transfer moves. It must be a busy place when steel companies are operating up around 90% of capacity.

Not all steam-engine bells end up in churches, schools and parks. The Northern Pacific diesel switcher that works in downtown Duluth has a steam-engine bell mounted atop the engine hood just behind and to the left of the headlight. Its clear ringing carried well up to my 14th-floor hotel room and must bring back pleasant memories to others as well.

Heard at the Communications Meeting in Detroit. Why not extend to one year the present FCC frequency check on railroad radio transmitters? With the present state of the art, most transmitters will now stay within the frequency tolerance for more than six months. One communications officer told me it costs a lot of money to send maintainers out to wayside base stations, pull the transmitters, replace with a checked unit, and bring the replaced one back to the shop for a frequency check. He said tubes seem to fail just after the new transmitter is put in service. He suggests that transmitters be allowed to stay in service until failure or until someone complains about frequency drift. Then the unit can be checked. It's certainly true that equipment now coming off the production lines keeps on frequency much better than the older models. It is worth considering extending the six months' frequency check, especially as the majority of railroads have extensive wayside base station installations.

Robert W. McKnight
Signaling & Communications

Inquiry

Galen S. Harris
B&O

Wilbur A. Ferguson
EJ&E

J. Walter O'Neill
EJ&E

Clinton O. Ferner
EJ&E

Louis D. Veronda
EJ&E

Albert E. Cawood
New Haven

People in the News

ASSOCIATION OF AMERICAN RAILROADS.—Richard J. Wagner, comptroller for the **Louisville & Nashville,** elected chairman, Accounting Division, AAR.

Maurice N. Ray, general claims attorney, **New York Central System,** elected chairman, General Claims Division, AAR.

ATLANTIC COAST LINE.—W. J. Turner, assistant general superintendent, Jacksonville, Fla., appointed assistant general manager there.

C. J. Bowling appointed trainmaster, Waycross division, Waycross, Ga.

BALTIMORE & OHIO.—Galen S. Harris, trainmaster, Baltimore, Md., appointed superintendent, Wheeling, W. Va., succeeding **John J. Sell,** who retired June 16. **C. W. Shaw, Jr.,** trainmaster, Grafton, W. Va., transferred to Baltimore to succeed Mr. Harris. **E. C. Kincaid,** assistant trainmaster, Gassaway, W. Va., promoted to trainmaster, Grafton, W. Va.

Joseph E. Parker, district freight representative, Atlanta, Ga., appointed division freight agent, Springfield, Ill., succeeding **Raymond A. Rietz,** transferred to Newark, Ohio (RA, June 20, p. 36).

The Philadelphia freight and passenger sales and district claim offices have moved to a new location at Reading Terminal, 12th and Market Streets. The move is coincident with the contract for sale of the B&O's former passenger station at 24th and Chestnut Streets.

CANADIAN NATIONAL.—John E. Brenan, regional auditor, Toronto, Ont., appointed assistant comptroller, Montreal.

The rate section, freight traffic department, has been reorganized. **Andrew Sutherland,** assistant general freight agent, appointed general freight agent—rates, to head a new group responsible for domestic Canadian freight rates. **George M. Douglas,** general freight agent, will head the international freight rates group (p. 13).

CANADIAN PACIFIC.—W. R. Jackett, Canada's Deputy Minister of Justice, became general counsel for the CPR on July 1.

CHESAPEAKE & OHIO. — Earl K. Swanson, freight service representative, Pittsburgh, Pa., appointed assistant to manager of piggyback services, Cleveland.

Jay R. Angle appointed staff assistant in office of Vice President J. E. Doyle, Cleveland.

C. R. Miller, freight service representative, Indianapolis, Ind., appointed general agent there, succeeding **R. J. Hall,** named district freight agent, Huntington, W. Va.

CHICAGO & EASTERN ILLINOIS.—Frank R. McVoy appointed general freight sales manager, Southwestern region, St. Louis, to succeed **Arnold R. Bruce,** who retired June 30.

ELGIN, JOLIET & EASTERN.—Wilbur A. Ferguson, superintendent, Gary division, Gary, Ind., appointed general superintendent of transportation there, replacing **J. Walter O'Neill,** appointed to the newly created position of assistant vice president — traffic, Chicago. Mr. Ferguson's successor is **Clinton O. Ferner,** superintendent, Joliet division, Joliet, Ill., who in turn is replaced by **Louis D. Veronda,** assistant to general superintendent.

R. E. Garren, acting assistant superintendent, appointed assistant superintendent, Gary division, Gary, Ind.

ERIE.—Stanley M. Bielski, assistant superintendent of construction, Cleveland, promoted to superintendent of construction there, succeeding **A. B. Fowler,** who retired June 30. **Donald S. Taylor,** assistant to superintendent construction, succeeds Mr. Bielski and his former position abolished.

ILLINOIS TERMINAL.—Fred L. Dennis, president and general manager, retires July 31.

LACKAWANNA.—T. F. Wendt, traveling freight agent, Detroit, Mich., promoted to general agent, there, succeeding **A. H. Snider,** who retired June 30.

MISSOURI-ILLINOIS. — James E. Mowen appointed general eastern agent, New York, succeeding **Earland Sandstrom.**

MISSOURI PACIFIC.—Effective July 1, **S. O. Selder,** general freight agent, Houston, Tex., appointed district manager perishable freight, Los Angeles, to succeed **Oran W. Rowland,** retired. **Earland Sandstrom** replaces Mr. Selder.

NEWBURGH & SOUTH SHORE — DONORA SOUTHERN — LAKE TERMINAL — McKEESPORT CONNECTING—NORTHAMPTON & BATH—HANNIBAL CONNECTING.—Paul C. Magill appointed general freight agent of these roads at Pittsburgh, Pa.

NEW HAVEN.—Albert E. Cawood, assistant to chief engineer, New Haven, Conn., promoted to assistant chief engineer.

J. Edward Berg, assistant vice president—finance, also elected treasurer, to succeed the late **Reginald Breitenstein. William S. Hildebrand,** cashier, elected assistant treasurer.

SANTA FE.—Thomas C. Haney named assistant signal engineer, Coast Lines, succeeding **J. N. Friedman,** retired. **Neal W. Thorne,** assistant engineer, office of assistant superintendent of signals, Topeka, Kan., succeeds Mr. Haney as centralized traffic control engineer, Los Angeles.

J. A. Grygiel appointed general freight agent—Commerce Bureau, Chicago, succeeding **A. A. Moser,** assigned to other duties.

SOUTHERN.—Frank W. Wiley, district freight agent, New York, appointed foreign freight agent there, succeeding **Robert L. Crawford** (RA, June 27, p. 71). **Robert H. Baily,** district freight agent, succeeds Mr. Wiley, with the same title as heretofore. **Melvin W. Morris,** commercial agent, New York, named district freight agent there, succeeding **James O. Lowe,** who replaces Mr. Bailey, with the same title as heretofore.

OBITUARY

Frank J. Ackerman, 84, retired chief engineer, **Kansas City Terminal,** died June 17.

Ralph B. Boyington, 75, general chairman, **Order of Railroad Telegraphers,** died June 19 at his home in Northfield, Ill.

Arthur N. Jewell, 62, general manager, **Reading,** died in Reading Hospital, Reading, Pa., June 24.

John H. McChord, 72, who retired January 1955 as general solicitor, **Louisville & Nashville,** died June 20. Mr. McChord was chairman, executive committee, Kentucky Railroad Association, from 1934 to 1944 and served as chairman of the association during 1944.

Supply Trade

Oakley N. Dean has been promoted to vice president—manufacturing of **Exide Industrial Division, Electric Storage Battery Co.,** Philadelphia. Mr. Dean has been Exide's manufacturing manager for five years.

Appointments of **James H. Vaughn** as director of defense products and **John H. Snyder** as general purchasing agent of American Car & Foundry division of **ACF Industries, Inc.** have been announced. Mr. Vaughan will be responsible for defense products activities in the design, development and production of special rail cars, aircraft and missile ground support equipment, artillery shells, tanks and other armored vehicles, and rocket engine cases.

Lon E. Welch, representative in Akron, Ohio, for **Oakite Products, Inc.,** has been transferred to Kokomo, Ind., where he replaces **Daniel B. Lamb,** recently appointed manager of the Detroit division. **George E. Park** has been assigned to Springfield, Mo.

Richard E. Clark has been appointed manager of aluminum product sales at the Detroit plant of **Joseph T. Ryerson & Son, Inc.**

Are Pass Curtailments Wise?

To the Question and Answer Editor:

Question—"Is it possible that Western railroads are indirectly losing more than they hope to gain through their total cancellation of exchange pass privileges for employees of foreign roads?"

Argument—Some Western roads have found that increasing costs forced reduction in train service, and therefore in passenger space available. Needing every possible dollar, road after road has abolished free transportation for employees of other lines. Many Eastern roads, while gradually restricting the trains on which passes are honored, still carry employees of other lines. Perhaps they do it with the idea that such patronage helps to reduce sleeping and dining car losses, and also with the hope that railroaders travelling over their lines may influence freight movements favorably.

Is this last thought being overlooked by the transcontinental lines? Undoubtedly, little or no freight traffic can be influenced by car department, motive power, M/W, running trades or yard employees. But what of the station forces—chief clerk, chief biller, rate clerk, shed clerk; or freight traffic department employees, chief clerk, chief rate clerk, rate clerks, diversion clerks, tracing clerks—all of whom are constantly asked for routing suggestions?

Older rate clerks, particularly, say they are continually influenced in specifying routes by personal knowledge of the lines and facilities of roads over which they have travelled, and tend to overlook lines which they do not know directly. And younger members of the railroad contact staffs, now deprived of the opportunity to acquire knowledge by travel, tend to route "by the map," or to follow the suggestion of the Western road sales representative who happens to most appeal to them.—*E. A. Milroy, chief clerk to district freight agent, Canadian National.*

A forum for railroaders who want to explore questions of importance to their industry, this column welcomes both questions and answers from readers at all levels of responsibility in the industry and associated fields. We'll pay $10 to any reader submitting a question that forms the basis for a column discussion. Address correspondence to Question and Answer Editor, Railway Age, 30 Church St., New York 7, N.Y.

What Are Your Railroad's Rules?

To the Question and Answer Editor:

With reference to questions raised in the March 21 issue [p. 18] concerning operating rules, it seems to me these modifications present a marked change from standard practice. I do not understand that application of these changes from provisions of the Standard Code, in timetable-train order territory, would be an improvement over present practice.

Concerning questions 1a, b and c, pertaining to Rule 4: As used on the territory on which I am employed, Rule 4 provides that when a schedule of the preceding timetable corresponds in number, class, day of leaving, direction, and initial and terminal stations with a schedule of the new timetable, a train authorized by the old timetable will retain its train orders and assume the schedule of the corresponding number of the new timetable.

Of course, a train operating on a schedule authorized by a preceding timetable, which did not correspond with the corresponding schedule of the new timetable in any one of these ways, would not be authorized to assume the corresponding schedule in the new timetable.

During my 19 years of observing changes in timetables, there has never been an occasion when a train authorized by preceding timetable would not be authorized to assume the schedule of the corresponding number of the new timetable. It would seem that it is preferable for trains to assume corresponding schedules of new timetables, rather than for trains not to assume new schedules as suggested. When no train on the road at time of change in timetables would assume corresponding schedules in the new timetable, there would be a situation in which all such trains would be without identity, consequently without authority to hold the main track or to proceed. All such trains would have to be recreated by the dispatcher.

When we consider that trains may not be at open train order offices at the time of timetable change, the problems attending such a situation, it seems to me, would be much more complicated than when trains are permitted to assume corresponding schedules in the new timetable. Should there be an occasion when a schedule would not correspond in any of the ways mentioned, such schedule could be annulled before the train left the initial station and the train concerned operated extra or on some other schedule which would correspond. Under this method dispatchers would have to issue train orders pertaining only to such schedules so affected, which would be seldom.

In following the method suggested [by your correspondent], dispatchers, it seems to me, would have to issue train orders affecting all schedules in the timetable.

I am employed as a supervisory agent by the Louisville & Nashville. Recently I completed a tour of duty as assistant trainmaster during which one of my responsibilities was to examine employees on NC&StL Railway Rules of the transportation department, under which the former NC&StL portion of the L&N is still operated. I would like to emphasize that the opinions expressed in this letter are my own as an individual reader of Railway Age who is interested in operating rules.—*Mark S. Womack, Jr., supervisory agent, Louisville & Nashville.*

[*Mr. Womack's letter comments on other parts of our question on operating rules. For reasons of space, we are able to include only this portion this time, but the remainder will be along soon — Editor.*]

You Ought To Know...

Forecast of Shipper's Advisory Boards estimates that carloadings of the current quarter will be 15.3% above those of 1959's third quarter. The estimate puts prospective loadings of the 32 principal commodity groups at 6,390,683 cars, compared with actual loadings of 5,543,460 cars in last year's third quarter. Increased loadings were forecast for 20 commodity groups and decreases for 12.

An emergency board has submitted to President Eisenhower a report with recommendations for settlement of some 20 issues in a dispute between the Pennsylvania and unions representing its shop employees. The Transport Workers Union, AFL-CIO, and organizations operating through the Railway Employees' Departments, AFL-CIO are the unions involved. The issues on which the board made its recommendation involve work-classification rules, "scope" rules, establishing boundaries between work covered by collective-bargaining agreements and that not included and miscellaneous rules relating to such matters as seniority, grievance handling, leaves of absence and vacations.

Elected vice president and controller of Union Pacific, with offices in New York, is R. M. Sutton, formerly vice president and general auditor, Omaha. He succeeds Leo J. Tracy, retired. Mr. Tracy continues as a UP director.

Modern machines and skilled Navajo Indian track workers will team up beginning July 6, as Santa Fe starts laying rail on its 44-mi line relocation project in Arizona. Quarter-mile lengths of welded rail will be laid on new roadbed, beginning at a point near Williams, Arizona.

Matisa Rail Weld, Inc., has opened the first rail welding plant in the Birmingham area. Formal dedication of the plant, located adjacent to U. S. Steel's Bessemer, Ala., rail mill, is scheduled for this month. (RA, Feb. 1, p. 35).

Reading's steam excursions will continue into the fall. The road has announced five additional steam excursions, starting in September. Complete schedule is: Sept. 3, Sept. 17, Sept. 24, Oct. 15, and Oct. 23.

Head of National Mediation Board for the current fiscal year, which began July 1, is Francis A. O'Neill, Jr. He succeeds Robert O. Boyd, under the Board's plan of rotating its chairmanship annually. Mr. Boyd remains a member of the Board.

Campaigning by Rail

Presidential hopefuls may be poles apart on burning political questions of the day, but they speak with a single voice on one issue: the return of the campaign train. Editors Virginia Tanner and Harriet H. Cobb of the B&O Magazine polled prospective candidates on their feelings about train campaigning, got these replies:

"I feel sure the voters across the land will have heard and seen the candidate 'working on the railroad'."—Senator Stuart Symington.

Since I have mentioned that should I be the nominee I intend to use a campaign train, I have noted that the press also shares this feeling. It almost seems to me that more reporters have commented on trains than on some of the issues."—Vice President Richard M. Nixon.

"It seems to me that [the campaign train] is an excellent way of getting close to our people." —Senator Lyndon B. Johnson.

"Television may reach more voters at one time but from the rear plaform of a campaign train there is no chance to use gimmicks to dress up a candidate. The campaign train exposes him as he is. I believe 1960 will see the return of the campaign train." —Senator John F. Kennedy.

Electronic checking of bus operations has been started by the Chicago Transit Authority. The first operation installation of Link's "Tracer"—an electromagnetic device that keeps CTA's operations control room notified of the whereabouts of its buses—has been made on one of the city's bus routes. Developed by Link Division of General Precision Inc., the device was furnished by Western Railroad Supply Co.

Second NH fare increase this year was suspended in New York State, pending hearings by the state's Public Service Commission. Interstate increases have been allowed by the ICC.

Union Pacific Foundation presented a $10,000 grant to the Transportation Center at Northwestern University This is the second grant received by the university from UP.

Southern's new "Budget Payment Plan" went into effect July 1. Payments for round-trip tickets purchased at Southern offices may be budgeted over a 10-month period provided some part of the trip is over Southern's lines and the total fare exceeds $50.

A new $1,000,000 terminal has been opened by Rock Island Motor Transit Co. in Des Moines. Adjacent to the Rock Island Railroad's TOFC terminal, the new facility provides 66,000 square feet of dock area for freight handling and includes: freight terminal; office building; equipment repair and maintenance shops.

Greece is bartering $3,580,000 worth of fruit and tobacco for 400 refrigerated rail cars from the Soviet Zone of Germany. Cars will be purchased from Transportmaschien Export-Import Deutscher Innen and Ausenhandel of Berlin.

Specially designed steel ramps added to C&O's two biggest trainferries —"Badger" and "Spartan"—permit top-deck loading of 14 autos. Modification has increased cargo capacity of each of the Lake Michigan ships to 26 freight cars and 25 autos.

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Terminal Costs Rising Too Fast

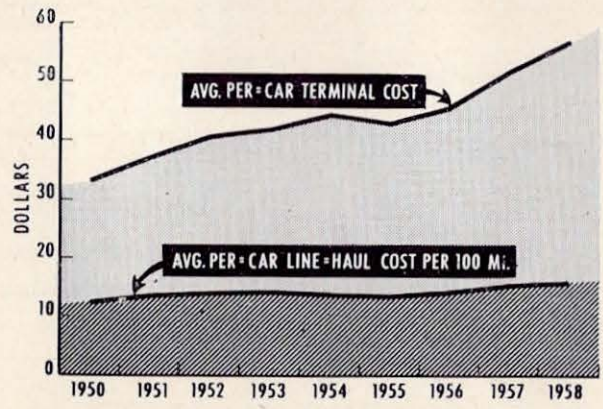
Average unit costs of terminal handling of carload freight—as compiled by the ICC—have been rising at an alarming rate. The accompanying chart shows that the average terminal cost per carload (box car traffic) was $32.87 in 1950 and $56.87 in 1958—an increase of 72% in eight years, or 9% per year. The line-haul cost per 100 car-miles, meantime, rose from $12.14 in 1950 to $15.72—which was 31% in eight years, or 4% per year.

Even the increase in line-haul costs is serious enough—for an industry subjected to such pervasive competition as that the government is inflicting on railroads, but it is the rising terminal costs that are really lethal. Hardly any problem confronting railroads is more important than this one, because the industry just can't live with this trend of rising costs of terminal handling.

These costs, both terminal and line-haul, differ as between geographical districts—usually being lowest in the South and the Pocahontas region; and highest in the East. The averages for the Western roads usually lie between the extremes. It is not the inter-territorial differences, however, that are primarily important (from the point of view of the industry as a whole). Rather, the important and alarming characteristic of these figures is the ratio of the increase in terminal costs which has occurred in all areas.

We have our own reservations as to the accuracy of ICC cost figures—i.e., as to whether or not they disclose the actual cost of originating and terminating a carload in any one year in any one territory. The ICC figures are labeled as "out-of-pocket costs" but, actually, they include some costs that do not vary perceptibly with traffic volume (such as return on the investment). But whether the figures accurately disclose actual monetary expense or not, there's no doubt whatever that they do truly reveal a startling increase in these costs between 1950 and 1958. If the ICC figures, as we suspect, overstate the actual variable costs, they do not overstate them proportionately any more in one year than in another. Railroads just cannot tolerate terminal costs which are rising at any such rate as 9% per year.

Increase in Terminal and Line Haul Costs*



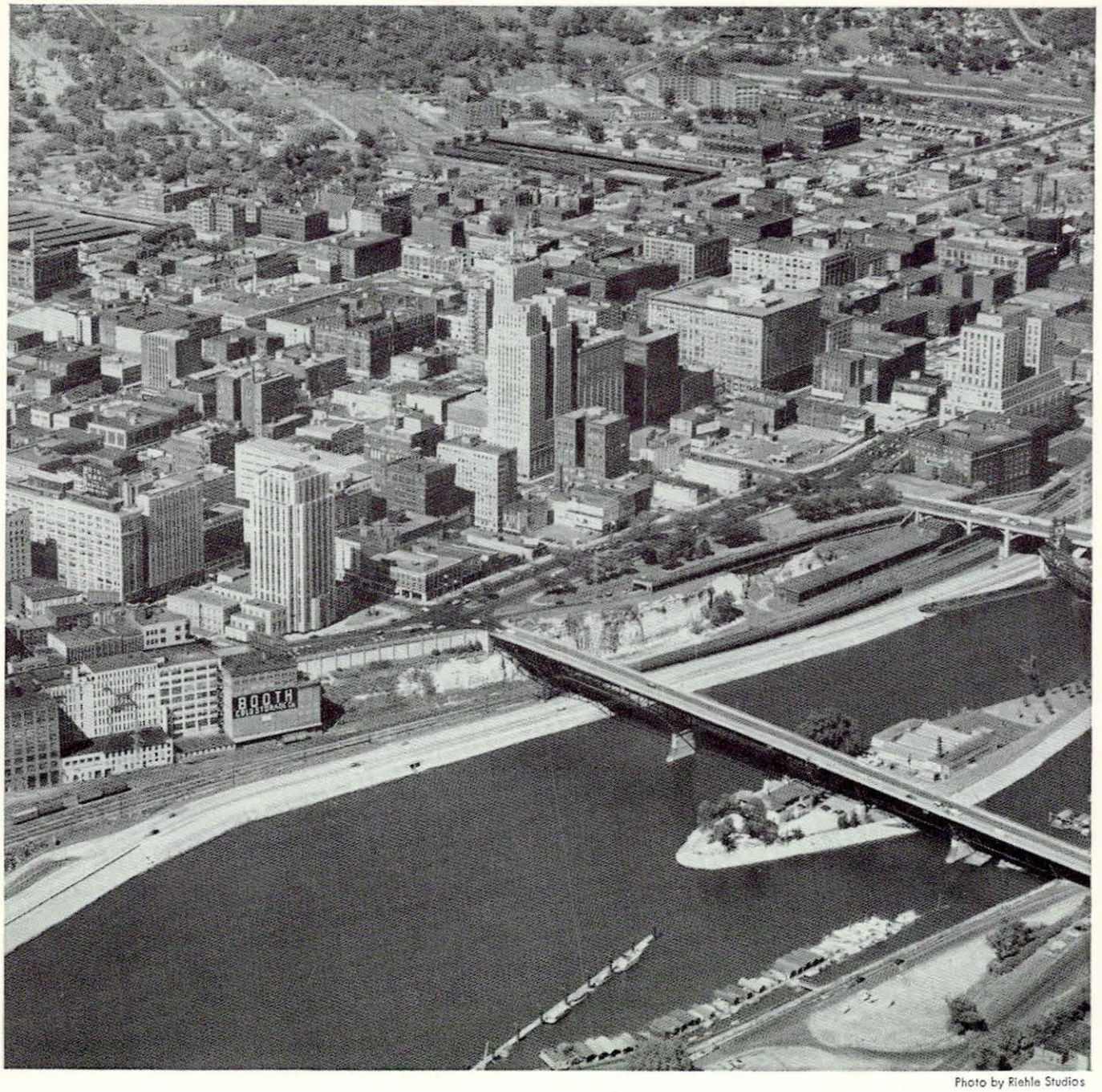
*The cost figures portrayed in this chart are our computation of simple averages (unweighted) of costs shown by the ICC cost section for box cars in the East (excluding Pocahontas), the South and the West. The costs shown are the costs per car only, omitting the added costs which vary with weight of lading. The unweighted averages this chart shows probably do not reflect actual costs accurately—but they are significant in comparing relative results from year to year.

How can excessive terminal costs be reduced? Mergers—to get more efficient yard work by mass-production—will help. Eliminating "firemen" on yard engines would help too. Also, aren't there many industrial switching jobs that could operate efficiently with one less yard brakeman? The ICC cost people could help if they would delete all elements of constant cost from their calculations, and would allow for the savings achieved from multiple-car switching.

ICC cost calculations are of basic importance, because—generally speaking—the ICC uses these figures as a "floor" below which competitive rates may not go. When these costs are overstated (as they are when they include some "constant" expenses, or when they do not show savings from multiple-car handling)—then the "floor" under permissible railroad rates is pushed upward. The volume of railroad traffic is curtailed and unit costs of remaining traffic increase. More accurate cost figures are, thus, one of the means toward reducing excessive terminal handling expense.

It may well be that piggyback service—as a substitute for expensive switching of single cars from and to industrial sidings—may be an economy in some cases. Incentive discounts for heavier loading of cars, while not reducing terminal expense per carload, will make higher costs easier to bear, by increasing the revenue per car moved.

There are many approaches to the goal of reduced cost of terminal movement. The importance of getting these costs under control suggests that all methods be used which hold out any promise of success.



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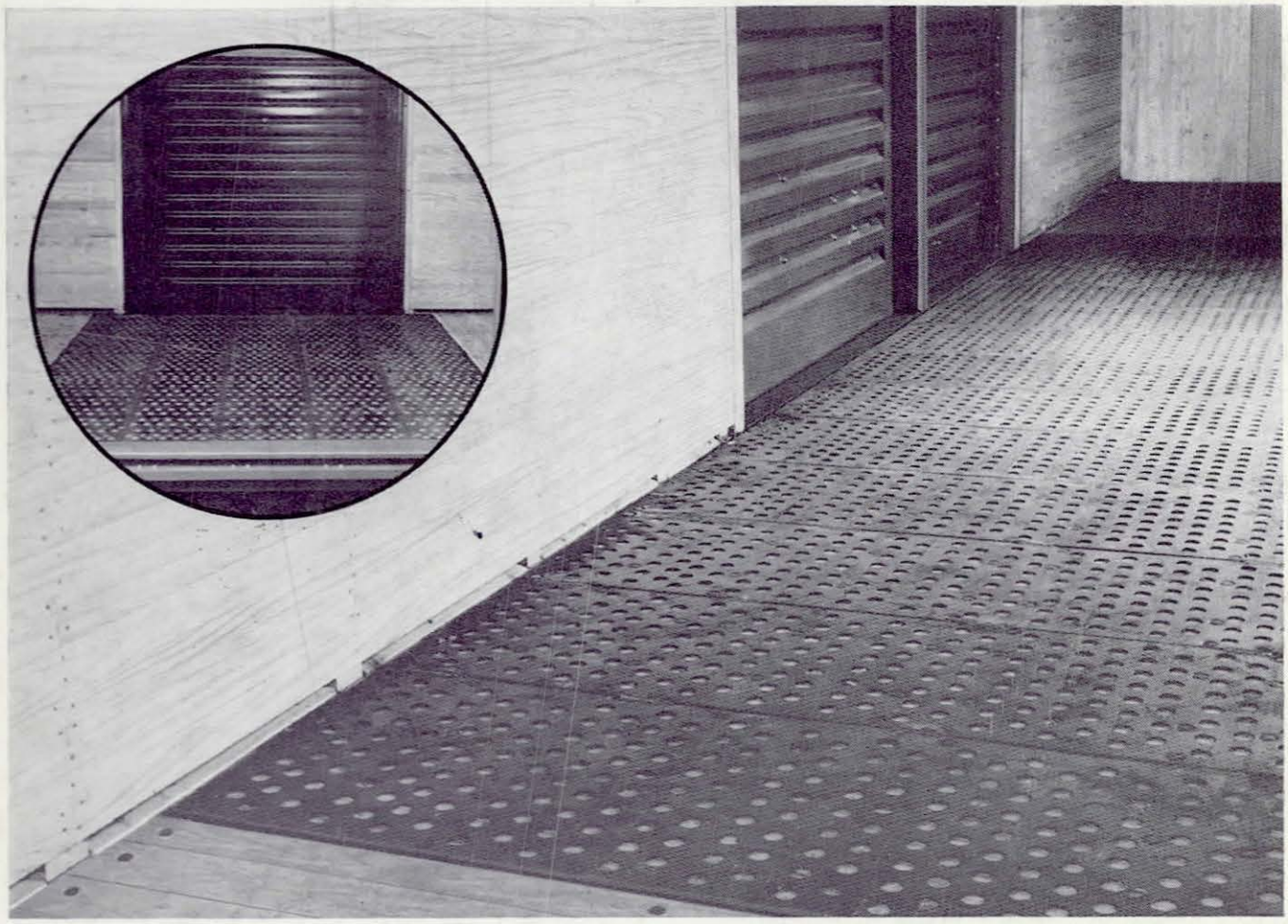

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